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8 UNITED STATES DISTRICT COURT
9 SOUTHERN DISTRICT OF CALIFORNIA
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11 ZEST ANCHORS, LLC d/b/a Zest
12 DentalSolutions and ZEST IP
13 HOLDINGS, LLC,

14 Plaintiffs,

15 v.

16 GERYON VENTURES, LLC d/b/a
17 DESS-USA and TERRATS MEDICAL
18 SOCIEDAD LIMITADA,

19 Defendants.

Case No.: 22-CV-230 TWR (NLS)

**ORDER GRANTING IN PART AND
DENYING IN PART PLAINTIFFS'
MOTION FOR PRELIMINARY
INJUNCTION**

(ECF No. 15)

19 Presently before the Court is the Motion for Preliminary Injunction (“Mot.,” ECF
20 Nos. 15 (public), 26 (sealed)) filed by Plaintiffs Zest Anchors, LLC, doing business as Zest
21 Dental Solutions (“Zest”), and Zest IP Holdings, LLC (“Zest IP”), as well as the Response
22 in Opposition (“Opp’n,” ECF No. 36) filed by Defendants Geryon Ventures, LLC, doing
23 business as DESS-USA (“Geryon”), and Terrats Medical Sociedad Limitada (“Terrats”)
24 (together, “DESS”) and Plaintiffs’ Reply in Support of (“Reply,” ECF Nos. 40 (public), 47
25 (sealed)) the Motion. The Parties declined to offer live testimony, and the Court held a
26 hearing on June 9, 2022. (See ECF No. 48.) Having carefully considered Plaintiffs’
27 Complaint (“Compl.,” ECF No. 1), the record, the Parties’ arguments, and the relevant law,
28 the Court **GRANTS IN PART AND DENIES IN PART** Plaintiffs’ Motion as follows.

1 **BACKGROUND**

2 **I. Zest and Its LOCATOR® Products**

3 Max Zuest founded Zest in 1972. (See ECF No. 40-2 (“Supp. Towse Decl.”) ¶ 4;
4 ECF Nos. 15-1 (public) and 26 (sealed) (“Stratton Decl.”) ¶ 4.¹) “Since 1972, Zest has
5 been a global leader in the research, development, and manufacturing of dental attachment
6 products that are used to secure prosthetic dentures.” (Stratton Decl. ¶ 4.) Although Zest’s
7 products have evolved over time, (see Supp. Towse Decl. ¶¶ 3–9), the specific products
8 that are the focus of this action—Zest’s suite of LOCATOR® attachment products (the
9 “LOCATOR® Product Suite”)—have been on the market for approximately twenty years.
10 (See Stratton Decl. ¶¶ 5, 7, 9–10.)

11 The LOCATOR® Product Suite consists of the following components, which are
12 also depicted numerically in Figure 1: (1) the dental implant, which is an implant, bar, or
13 root connector in the form of a small bone screw that is anchored directly into the patient’s
14 jaw; (2) the abutment, which is screwed into the dental implant using a torquing tool; (3) a
15 color-coded retention insert; and (4) a denture housing or cap. (See ECF No. 15-2 (“Towse
16 Decl.”) ¶ 5; see also ECF No. 15-3 (“Scherer Decl.”) ¶ 9.)

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20 ¹ Defendants object to the declarations submitted by Tom Stratton, Zest’s President and Chief Executive
21 Officer, and Ross Towse, Zest’s Chief Operations Officer, on the grounds that they only began working
22 at Zest in October 2018, (see Stratton Decl. ¶¶ 1–2), and February 2016, (see ECF No. 15-2 (“Towse
23 Decl.”) ¶¶ 1–2), respectively, and therefore lack personal knowledge of Zest’s activities predating their
24 employment. (See Opp’n at 17 n.6, 20 n.8.) The Court **VERRULES** this objection for two reasons:
25 First, “[d]ue to the urgency of obtaining a preliminary injunction at a point when there has been limited
26 factual development, the rules of evidence do not apply strictly to preliminary injunction proceedings[.]”
27 and, accordingly, the district court need not rely only on admissible evidence. See *Herb Reed Enters.,*
28 *LLC v. Fla. Ent. Mgmt., Inc.*, 736 F.3d 1239, 1250 n.5 (9th Cir. 2013) (citing *Republic of Philippines v.*
Marcos, 862 F.2d 1355, 1363 (9th Cir. 1988)). Second, in any event, the declarations are not objectionable
because “[p]ersonal knowledge can be inferred from a declarant’s position within a company or business.”
See *Edwards v. Toys “R” Us*, 527 F. Supp. 2d 1197, 1201 (C.D. Cal. 2007) (collecting cases); see also
Salgado v. Iqvia, Inc., 459 F. Supp. 3d 1318, 1337 (S.D. Cal. 2020) (overruling personal knowledge
objection and concluding that Associate Director of Human Resources and Business Unit Head “may
testify as to [their] understanding of the [defendant] organization” (citing *In re Kaypro*, 218 F.3d 1070,
1075 (9th Cir. 2000))).

Figure 1

Source: Towse Decl. at 2



The abutments used in the LOCATOR® Product Suite, depicted in Figure 2, are gold colored because of a titanium nitride coating. (See Towse Decl. ¶ 6.)

Figure 2

Source: Towse Decl. at 2–3



According to Zest, this gold coloring “make[s] its abutments easily distinguishable.” (See Towse Decl. ¶ 6.) But because titanium nitride coating “is biocompatible, brightens the gingival hue, is easy to maintain and clean[,] and improves the abutment[’]s resistant to scratching[, i]t is common to see gold-colored abutments sold by a variety of brands.” (See ECF No. 36-3 (“Morris Decl.”) ¶ 9; see also ECF No. 36-4 (“Szara Decl.”) ¶ 13.)

1 Further, the top of Zest’s LOCATOR® abutments, which receives a torquing tool,²
2 uses a trilobate configuration of three notches in the shape of a triangle. (See Towse Decl.
3 ¶ 7; see also Stratton Decl. ¶ 13.) Although “[t]his shape is not unique to Zest[,]” (see
4 Morris Decl. ¶ 10), only one of Zest’s competitors had imitated this shape before DESS
5 introduced its competing DESSLoc® line.³ (See Supp. Towse Decl. ¶ 11.)

6 The retention inserts in the LOCATOR® Product Suite come in “brightly-colored
7 blue, pink, clear, red, orange, and green.” (See Stratton Decl. ¶ 6.) Although “[a]ll dental
8 implant companies that supply overdenture products directly . . . use different colors of
9 inserts to correspond with different retention strengths[,]” (see Morris Decl. ¶ 11; see also
10 Szara Decl. ¶ 12)—including Zest, (see Stratton Decl. ¶¶ 9–10)—Zest believes that its
11 chosen colors also “distinguish [Zest’s] product suite” from those of its competitors. (See
12 *id.* ¶ 7.) Since 2001, for example, the blue, pink, and clear inserts have been sold as part
13 of Zest’s standard retention strength set and correspond to retention strengths of extra light
14 (1.5 lbs), light (3 lbs), and regular (5 lbs), respectively. (See *id.* ¶ 9; see also Towse Decl.
15 ¶ 17.) Similarly, for eighteen years, Zest has sold bright red, orange, and green inserts as
16 part of its extended retention strength set, which correspond to retention strengths of extra
17 light (1 lbs), light (2 lbs), and regular (4 lbs), respectively. (See Stratton Decl. ¶ 10; see
18 also Towse Decl. ¶ 17.) “[A]side from a handful of market participants who have only
19 recently tried to sell LOCATOR® knock-offs, no Zest competitor has ever used [Zest’s]
20 colorful insert scheme or anything close to it.” (Stratton Decl. ¶ 7.) Further, “there are any
21 number of ways to differentiate inserts, including any combination of differing colors.”
22 (See Scherer Decl. ¶ 11.)

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25 ² Zest also offers accessories to its LOCATOR® Product Suite, including torquing tools. (See Supp.
26 Towse Decl. ¶ 13.) According to Zest, these tools are “significantly distinct from the product suite itself”
27 and “are not integral parts of the LOCATOR® Product Suite.” (See *id.*)

28 ³ Two implant manufacturers also use a similar design, although Zest claims that “the manufacturers for
and markets for abutments and implants are significantly different.” (See Supp. Towse Decl. ¶ 11.)

1 Zest IP, an affiliate of Zest, (*see* Compl. ¶ 8), owns unexpired U.S. trademark
2 registrations for these color-coded retention inserts (the “Registered Zest Insert Color
3 Marks”), as depicted in Figure 3. (*See* Towse Decl. ¶ 9.)





4 **Figure 3**

5 *Source: Towse Decl. at 3–4*

6 Registration No.	7 Mark	8 Date of Registration
9 4,622,637	10 	11 October 14, 2014
12 4,622,638	13 	14 October 14, 2014
15 4,622,639	16 	17 October 14, 2014
18 4,618,874	19 	20 October 7, 2014
21 4,618,875	22 	23 October 7, 2014
24 4,618,876	25 	26 October 7, 2014

27 Zest also has active U.S. trademark applications for the following combinations, both with
28 and without packaging, as depicted in Figure 4 (the “Zest Insert Combination Marks”)
(together with the Registered Zest Insert Color Marks, the “Zest Insert Color Marks”). (*See*
Towse Decl. ¶ 11.)

Figure 4
Source: Towse Decl. at 4

Serial No.	Mark	Date Filed
90/237,726		October 6, 2020
90/237,737		October 6, 2020
90/237,742		October 6, 2020
90/237,753		October 6, 2020

“[T]hese applications remain pending, and Zest is in the process of submitting responses to the trademark examiner as necessary to secure registrations.” (ECF No. 40-1 (“Supp. Stratton Decl.”) ¶ 4.)

Zest claims that the LOCATOR® Product Suite is “the market leader in removable denture attachment products” and “is the most popular and widely used denture attachment system in the world.” (See Stratton Decl. ¶ 5.) LOCATOR® has won numerous awards and recognitions over the years.” (See *id.* ¶¶ 30–31.) Together, Zest’s “palette of colorful inserts, . . . and the shape and color of [its] gold abutments [(the “LOCATOR® Trade Dress”)] reflect aesthetic choices that serve to define [its] brand.” (See *id.* ¶ 13.) “They identify and differentiate LOCATOR® from the rest of the competition,” (*id.*), and “are instantly recognizable and synonymous with Zest and LOCATOR®.” (*Id.* ¶ 14; see also *id.* ¶ 51; Scherer Decl. ¶ 15.) According to Zest, its “customers, dental professionals, see

1 these design features and understand they are purchasing a time-tested product line that
2 meets Zest’s longstanding standards of high quality.” (See Scherer Decl. ¶ 15.)

3 “Zest’s LOCATOR® customers in the U.S. market are dental professionals, dental
4 laboratories, and others in the dental field.” (See Stratton ¶ 17.) Zest markets its
5 LOCATOR® Product Suite through various advertising media and promotional activities,
6 including “print advertisements” in dental trade publications; “banner advertisements” on
7 dental trade websites and on various forms of electronic media for dental trade and
8 academy publications; “clinical articles and case reports in dental trade and peer reviewed
9 dental academy publications[;]” “exhibitions” and “advertisements and promotional
10 activities at dental trade meetings[;]” podium presentations at dental trade meetings and
11 regional study clubs[;]” “social media advertisements[;]” “direct mail advertisements[;]”
12 “catalogs and price lists[;]” and its own website. (See *id.* ¶ 16.) These “marketing materials
13 prominently feature [Zest’s] trademarked insert colors—blue, pink, clear, red, orange, and
14 green, both individually and in combination—”together with “Zest’s uniquely-shaped gold
15 LOCATOR® abutments.” (See *id.* ¶¶ 18–21, 24–25.) Over the past decade, Zest has spent
16 an average of \$ [REDACTED] per year marketing LOCATOR®, which represents an average
17 of [REDACTED] % of its annual revenue. (See *id.* ¶ 23.)

18 Like its advertising expenditures, Zest’s LOCATOR® sales have also been
19 “substantial[;]” (see *id.* ¶ 26), with approximately \$ [REDACTED] per year in annual average
20 revenue from LOCATOR® products since 2012. (See *id.* ¶ 29.) “Zest sells its products
21 through a variety of distribution channels.” (Towse Decl. ¶ 19.) One means by which Zest
22 “markets and sells a large portion of its products [is] directly to customers through its
23 website.” (See *id.*) The other way in which “Zest sells its products is by contracting with
24 distributors worldwide.” (See *id.*) “Currently, Zest sells the LOCATOR® Product Suite
25 through forty independent international distributors and ninety implant manufacturers.”
26 (*Id.* ¶ 20.)

27 As is particularly salient to the instant controversy, between May 1, 2008, and
28 September 2, 2021, “Zest sold a large quantity of Zest LOCATOR® products through

1 Zimmer Biomet[,]”⁴ with Zimmer Biomet purchasing on average approximately \$ [REDACTED]
2 per month in LOCATOR® products. (See Stratton Decl. ¶ 41.) “[U]ntil a few years ago,
3 Zimmer Biomet promoted LOCATOR®, including Zest’s distinctive inserts and
4 abutments, as part of an ‘OverdenSURE’ suite of removable attachment products that could
5 be purchased through Zimmer Biomet.” (Towse Decl. ¶ 26.) As can be seen in Figure 5,
6 for example, Zimmer Biomet’s advertisements during the relevant period attributed the
7 products to LOCATOR® and Zest, even when Plaintiffs’ products were sold under Zimmer
8 Biomet’s OverdenSURE line. (See, e.g., ECF No. 15-9 (“Pls.’ Ex. E”) at 318–19, 321–22,
9 324, 326–27, 329–30, 332–34, 336, 338–40, 345, 349, 351, 353, 356, 359, 363, 365–66.⁵)

10 **Figure 5**

11 *Source: Pls.’ Ex. E at 324, 326, 330*

12 **OverdenSURE System Solutions**

13 Zimmer Biomet Dental offers a variety of solutions that simplify bar-supported and implant-retained overdenture therapy for
14 clinicians, while providing an improved quality of life for each patient. Options for overdenture therapy include the three most
15 common treatment modalities.

16 **Bar-Supported Overdentures**

- 17 • Removable restoration for easier oral hygiene

18 **Implant-Supported Overdentures**

- 19 • Addresses problems such as limited interocclusal space through the LOCATOR® Abutment’s low restorative height

20 **LOCATOR® Overdenture Implant System (LODI)**

- 21 • Narrow diameter implant designed for severely resorbed narrow ridges (<5.0 mm in width)
- 22 • Less invasive and more affordable treatment plan
- 23 • Easy and intuitive surgical kit and protocol



24 ⁴ On March 1, 2022, Zimmer Biomet spun off its former dental and spine business to a new corporate
25 entity, ZimVie. See Press Release: Zimmer Biomet Announces Completion of ZimVie Spinoff,
26 <https://investor.zimmerbiomet.com/news-and-events/news/2022/03-01-2022-120035502> (Mar. 1, 2022). Accordingly, some of the Parties’ filings refer to Zimmer Biomet, some to
27 ZimVie, and others to both. To avoid confusion, the Court will use only the name Zimmer Biomet
28 throughout.

⁵ Pin citations to Plaintiffs’ and Defendants Exhibits refer to the pagination the Parties have provided in
the lower, right-hand corner of each page.



LOCATOR Components

Restorative Components

- Self-aligning design allows patients to easily place their overdenture
- Various levels of retention and draw correction options are available



LOCATOR Abutments

LOCATOR Abutments

- A stable and tight implant-to-abutment interface
- Dual retention design assists in long-lasting performance of the LOCATOR Abutment and overdenture components
- Allows for the restoration of divergent implants for restorative flexibility

Unless otherwise indicated, as referenced herein, all trademarks are the property of Zimmer Biomet; and all products are manufactured by one or more of the dental subsidiaries of Zimmer Biomet Holdings, Inc., and distributed and marketed by Zimmer Biomet Dental (and, in the case of distribution and marketing, its authorized marketing partners). DOLDER is a registered trademark of Professor Eugen Dolder. ZEST and LOCATOR are registered trademarks of Zest IP Holdings, LLC. For additional product information, please refer to the individual product labeling or instructions for use. Product clearance and availability may be limited to certain countries/regions. This material is intended for clinicians only and does not comprise medical advice or recommendations. This material may not be copied or reprinted without the express written consent of Zimmer Biomet Dental. ZB0216 REV A 01 /18 ©2018 Zimmer Biomet. All rights reserved.



Zimmer Biomet uses many of the same marketing channels enumerated above, *see supra* page 7 (citing Stratton Decl. ¶ 16), that Zest uses to market and sell the LOCATOR® Product Suite, (*see* Stratton Decl. ¶ 43), and the U.S. market for Zimmer’s Biomet’s products is identical to Zest’s. (*See id.* ¶ 44.) Zest’s distribution agreement with Zimmer Biomet ended on September 2, 2021. (*See id.* ¶ 46.)

II. Terrats and Its DESSLoc® Products

Terrats’ predecessor company was founded in 1947 in Barcelona, Spain, to manufacture precision mechanical components. (*See* ECF Nos. 36-2 (public), 39 (sealed) (“Terrats Decl.”) ¶ 7.) In 2004, Terrats began manufacturing dental implant components for other entities, (*see id.*), and Terrats introduced its own dental abutment products under its KOMP brand in 2009. (*See id.* ¶ 8.) Terrats completely discontinued use of the KOMP mark in 2014. (*See id.*)

Between 2011 and 2012, however, Terrats began using the mark DESS Dental Smart Solutions® in Europe. (*See id.*) Terrats intended for its DESS Dental Smart Solutions®

1 product line to compete with Attachment International, “a specialist in the manufacture of
2 prosthetic parts in the dental implant field.” (*See id.* ¶ 9.) Like Attachment International,
3 Terrats’ business model is to “offer a range of abutments compatible to several implant
4 companies.” (*See id.* ¶ 30; *see also id.* ¶¶ 9, 22.)

5 Spanish customers began asking whether Terrats had a product compatible with
6 Zest’s LOCATOR® abutment between 2012 and 2013. (*See id.* ¶ 10.) Terrats discovered
7 that the company Kerator offered such abutments, as depicted in Figure 6. (*See id.*)

8 **Figure 6**

9 *Source: Opp’n at 8–9*



16 Terrats therefore purchased Kerator abutments through a Spanish reseller, Futuracam, and
17 offered them in Spain for a few years. (*See Terrats Decl.* ¶ 10.)

18 Ultimately, Terrats “decided to create [its] own abutment product to compete with
19 Kerator and other companies offering overdenture abutment products.” (*See id.*) Terrats
20 therefore developed the DESSLoc® abutment in 2015. (*See id.* ¶ 11.) Like Zest’s
21 LOCATOR® abutments, the DESSLoc® abutments are also gold-colored and have the
22 same triangular-shape on top, as depicted in Figure 7. (*See Stratton Decl.* ¶ 35.)

23 **Figure 7**

24 *Source: Stratton Decl. at 7*



28 **LOCATOR® Abutment**

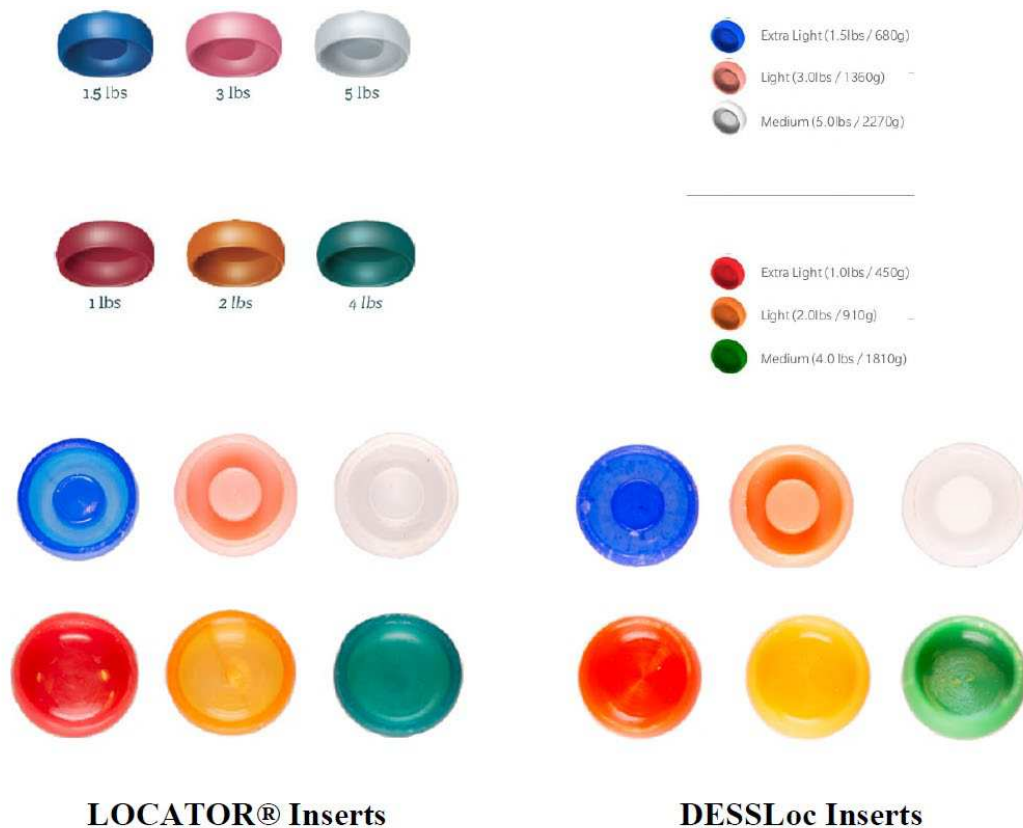
DESSLoc Abutment

1 Unlike the LOCATOR® abutments, however, Terrats’ DESSLoc® abutments are made of
 2 titanium with a zirconium nitride coating, (see Terrats Decl. ¶ 12), which naturally results
 3 in a lighter gold color. (See *id.* ¶ 13; see also Szara Decl. ¶ 14.) Terrats chose to use
 4 zirconium nitride, rather than titanium nitride like Zest, because “[t]he zirconium nitride
 5 coating improves overall mechanical resistance and reduces gingival inflammation and
 6 plaque adhesion.” (See Terrats Decl. ¶ 13.) It is also “even stronger and more scratch
 7 resistant” than the titanium nitride coating. (See Szara Decl. ¶ 14.)

8 Terrats also offers DESSLoc®-branded retention kits, which consist of colored
 9 insert caps offered in a color-coded system representing retention strength. (See *id.* ¶ 14.)
 10 Although there are slight variations in shade, (see *id.* ¶ 15), the DESSLoc® inserts are
 11 offered in the same colors, corresponding to same retention strengths, as the LOCATOR®
 12 inserts and are also packaged together in same combinations, as depicted in Figure 8. (See
 13 Stratton Decl. ¶ 34.)

14 **Figure 8**

15 *Source: Stratton Decl. at 7*



1 Terrats explains that “[i]t would be cost-prohibitive to indicate the retention strength on the
2 caps given their small size and material[, and] . . . any printed information on the caps
3 would be difficult to read and would eventually be erased by the natural degradation of the
4 material during its normal use.” (See Terrats Decl. ¶ 14.) When Terrats began
5 manufacturing its own abutments, it therefore decided to offer multi-colored insert caps
6 that also were purchased from Futuracam and sold under the DESSLoc® brand. (See *id.*
7 ¶ 16.) Terrats currently purchases its multi-colored insert caps in the same color range but
8 from another Spanish manufacturer. (See *id.*)

9 Terrats now sells its DESSLoc® abutment products in more than twenty countries.
10 (See *id.* ¶ 17.) Terrats sells DESSLoc® in the United States through independent
11 distributors, who then sell the products to dentists and dental professionals. (See *id.*) DESS
12 also uses many of the same marketing channels as Zest, (see Stratton Decl. ¶ 48), and has
13 an identical U.S. market, (see *id.* ¶ 49), although DESSLoc® customers in the United States
14 cannot purchase the products from Terrats’ website, dessdental.com, and “Terrats does not
15 take order for DESSLoc® products at U.S. trade shows.” (See Terrats Decl. ¶ 23.) Indeed,
16 Terrats “do[es] not ship DESSLoc® to U.S. addresses.” (See *id.*)

17 Terrats first began offering its DESSLoc® products in limited quantities in the
18 United States in 2015. (See *id.* ¶¶ 17–18.) Between 2015 and 2020, Terrats’ only
19 independent distributor in the United States was Geryon. (See *id.* ¶ 17.) Now, “DESSLoc®
20 customers can purchase products from Geryon[;] Henry Schein, Inc.[;] and Darby Dental
21 Supply LLC.” (See *id.* ¶ 23.) Between 2017 and present, Terrats’ “sales of DESSLoc®
22 branded dental abutments and insert caps shipped directly to distributors to their U.S.
23 address[es] . . . have totaled approximately \$ [REDACTED].” (See *id.* ¶ 33.) Between 2018 and
24 2021, this works out to approximately \$ [REDACTED] per year. (See *id.*)

25 Terrats’ “DESSLoc® products have not been modified since being introduced in
26 2015 in the United States,” (see *id.* ¶ 19), and are sold in packaging, which also has not
27 changed since 2015, (see *id.* ¶ 21), that “clearly indicates the source of the goods.” (See
28 *id.* ¶ 20.)

1 III. DESS' Alleged Infringement

2 In the summer of 2017, Zest learned that DESS had begun offering its DESSLoc®
3 products, which Zest considered to be a “knock-off” of its LOCATOR® Product Suite.
4 (See Stratton Decl. ¶ 33.) Zest therefore retained Procopio, Cory, Hargreaves & Savitch
5 LLP (“Procopio”) in July 2017, “to protect its intellectual property rights in LOCATOR®,
6 including under trademark law.”⁶ (See *id.* ¶ 36.) “Between July 2017 and October 2020,
7 Zest continued to monitor DESS, and Zest and DESS, through counsel, exchanged a
8 number of letters regarding DESS’s [allegedly] infringing products.” (See *id.* ¶ 36.)

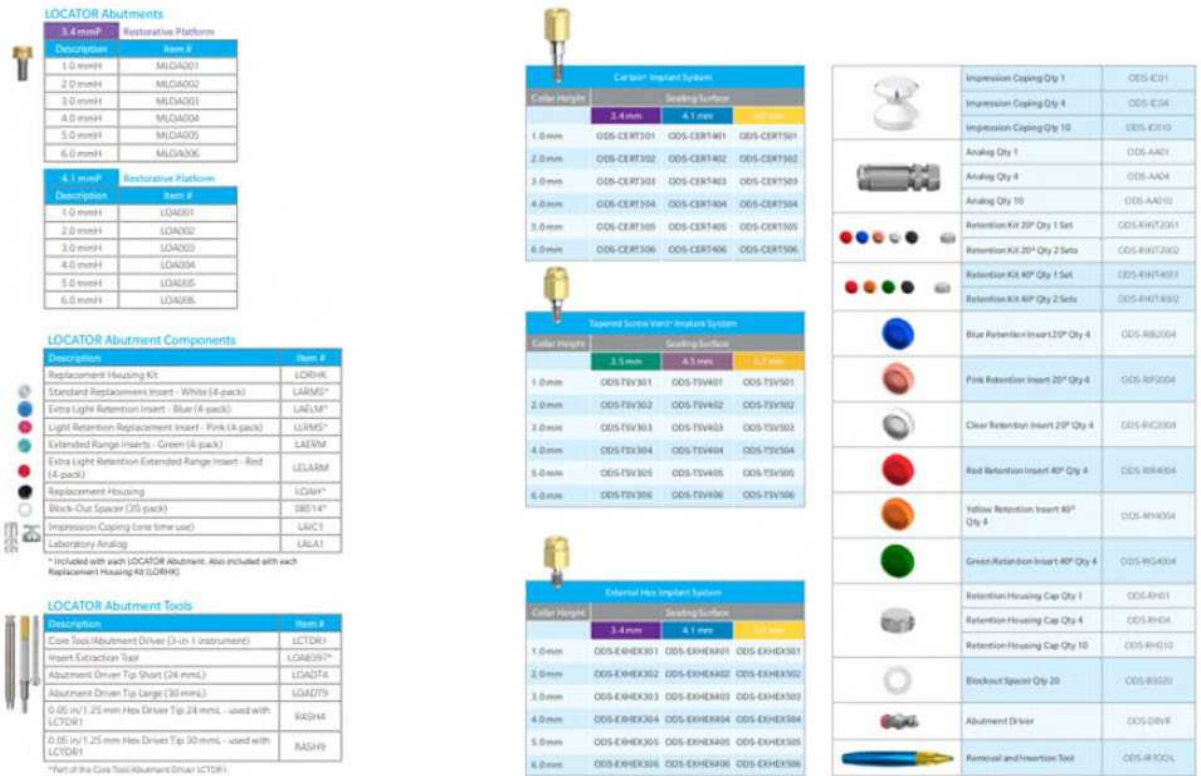
9 In 2017, for example, Zest IP contacted DESS Abutments, demanding that Terrats
10 “change [its] materials to delete references to the LOCATOR® mark and discontinue use
11 of the multi-colored insert caps.” (See Terrats Decl. ¶ 26.) Terrats declined. (See *id.*) Zest
12 IP again contacted Terrats in 2018, raising similar issues. (See *id.* ¶ 27.) In response,
13 Terrats “added ‘abutments’ after LOCATOR® where that mark appeared in [its]
14 materials.” (See *id.*) Finally, Zest IP contacted Terrats in September 2020, to claim that
15 Terrats was infringing the Zest Insert Color Marks. (See *id.* ¶ 28.) Although Terrats did
16 not believe that its products and materials infringed Zest IP’s intellectual property, Terrats
17 complied with Zest IP’s “request[] that Geryon modify the photos of the multi-colored
18 insert caps on its website to grayscale.” (See *id.*; see also Stratton Decl. ¶¶ 37–38.)

19 In late 2021, Zest learned that DESS had partnered with Zimmer Biomet to market
20 in the United States a product identical to DESSLoc® under Zimmer Biomet’s
21 OverdenSURE line. (See Stratton Decl. ¶ 47; see also Towse Decl. ¶ 24; Terrats Decl.
22 ¶ 25; Szara Decl. ¶ 14.) “While Zimmer Biomet has begun publicly marketing its
23 OverdenSURE product suite using DESS’s . . . products and is taking orders for these
24 products on its website, it is unclear whether Zimmer Biomet has actually begun to ship
25 these products to customers in the United States.” (See Towse ¶ 29.)

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28 ⁶ Procopio is also counsel of record for Zest’s trademark registrations and application. (See Towse Decl. ¶ 13.)

1 Although some trainings offered by Zimmer Biomet have explicitly communicated
 2 that Zimmer Biomet is no longer selling Zest's LOCATOR® products, (see Szara Decl.
 3 ¶ 16), Zest maintains that Zimmer Biomet's marketing materials may cause confusion, as
 4 evidenced by a comparison, shown in Figure 9, of Zimmer Biomet's previous catalogs
 5 depicting Zest's LOCATOR® and current catalogs depicting Terrats' DESSLoc® product
 6 that is now being offered under Zimmer Biomet's OverdenSURE line. (See Towse Decl.
 7 ¶ 28.)

8 **Figure 9**
 9 *Source: Towse Decl. at 8*



22 **2020 Zimmer Biomet Brochure**
 23 **Featuring Zest's LOCATOR®**
 24 **Product Suite**

25 **Current Zimmer Biomet Brochure**
 26 **Featuring The DESSLoc Product Suite**

27 Not surprisingly, the Parties offer conflicting evidence regarding whether and to
 28 what extent these visual similarities risk causing consumer confusion. On the one hand,
 one of Terrats' declarants—a licensed dentist with twenty-eight years of practice in
 prosthodontics, (see Morris Decl. ¶¶ 2, 7)—attests that he “do[es] not and could not identify

1 the brand of an insert by the color of the insert,” (*see id.* ¶ 11), and Terrats claims that it
2 has “never received an email or any other communication from a customer or from anyone
3 else asking if [its] DESSLoc® products are associated with or authorized by Zest.” (*See*
4 Terrats Decl. ¶ 31.) On the other hand, Zest claims that Terrats’ recent partnership with
5 Zimmer Biomet has led to “actual confusion amongst Zest’s customers and potential
6 customers.” (*See* Scherer Decl. ¶ 21.⁷) “For example, a large Zimmer Biomet customer
7 told [Dr. Scherer] recently that the doctors to whom he sold LOCATOR® are confused by
8 DESS’s [alleged] knock-offs and how they related to LOCATOR®.” (*See id.* ¶ 22.)
9 “Additionally, an officer manager of a dental office told [Dr. Scherer] she believed that
10 Zimmer Biomet was still selling Zest’s products, stating . . . that OverdenSURE, the brand
11 Zimmer Biomet is using to sell DESSLoc[®], was still ‘the same LOCATOR® just a new
12 brochure.’” (*See id.* ¶ 23.)

13 Plaintiffs initiated this action against Defendants on February 18, 2022, asserting six
14 causes of action for (1) trademark infringement in violation of Section 32(1) of the Lanham
15 Act, 15 U.S.C. § 1114(1); (2) trademark infringement and false designation of origin in
16 violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a); (3) trade dress
17 infringement in violation of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a);
18 (4) unfair competition in violation of California’s Unfair Competition Law (“UCL”), Cal.
19 Bus. & Prof. Code §§ 17200 *et seq.*; (5) common law trademark infringement; and
20 (6) common law unfair competition. (*See generally* Compl.) The instant Motion followed
21 on March 7, 2022. (*See generally* Mot.)

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25 ⁷ Defendants also object to paragraphs 21 through 23 of the Scherer Declaration on the grounds that the
26 evidence of actual confusion is inadmissible as “unsubstantiated hearsay” or “hearsay within hearsay[.]”
27 (*See* Opp’n at 24–25.) For the reasons discussed above, *see supra* note 1, “[i]t [i]s within the discretion
28 of the district court to accept this hearsay for purposes of deciding whether to issue the preliminary
injunction.” *Marcos*, 862 F.2d at 1363 (citing *Flynt Distrib. Co. v. Harvey*, 734 F.2d 1389, 1394 (9th Cir.
1984); *K-2 Ski Co. v. Head Ski Co.*, 467 F.2d 1087, 1088 (9th Cir. 1972)). Accordingly, the Court also
OVERRULES Defendants’ objection to the Scherer Declaration.

LEGAL STANDARD

Pursuant to Federal Rule of Civil Procedure 65(a), a trial judge may grant a preliminary injunction “to preserve the status quo and the rights of the parties until a final judgment issues in the cause.” *See Ramos v. Wolf*, 975 F.3d 872, 887 (9th Cir. 2020) (quoting *U.S. Philips Corp. v. KBC Bank N.V.*, 590 F.3d 1091, 1094 (9th Cir. 2010)). “A preliminary injunction . . . is not a preliminary adjudication on the merits[,] but rather a device for preserving the status quo and preventing the irreparable loss of rights before judgment.” *Id.* (alteration in original) (quoting *Sierra On-Line, Inc. v. Phx. Software, Inc.*, 739 F.2d 1415, 1422 (9th Cir. 1984)). In the context of a preliminary injunction, the status quo “refers not simply to any situation before the filing of a lawsuit, but instead to ‘the last uncontested status which preceded the pending controversy[.]’” *See GoTo.com, Inc. v. Walt Disney Co.*, 202 F.3d 1199, 1210 (9th Cir. 2000) (quoting *Tanner Motor Livery, Ltd. v. Avis, Inc.*, 316 F.2d 804, 809 (9th Cir. 1963)).

“A party seeking a preliminary injunction must meet one of two variants of the same standard.” *Ramos*, 975 F.3d at 887 (quoting *All. for Wild Rockies v. Pena*, 865 F.3d 1211, 1217 (9th Cir. 2017)).

Under the original standard, plaintiffs seeking a preliminary injunction must establish that: (1) they are likely to succeed on the merits; (2) they are likely to suffer irreparable harm in the absence of preliminary relief; (3) the balance of equities tips in their favor; and (4) an injunction is in the public interest.

Id. (citing *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008)). “The Ninth Circuit employs an alternative ‘serious questions’ standard, also known as the ‘sliding scale’ variant of the *Winter* standard.” *Id.* (citing *All. for Wild Rockies v. Cottrell*, 632 F.3d 1127, 1134 (9th Cir. 2011)).

Under this alternate standard, [the court] weigh[s] the preliminary injunction factors on a sliding scale, such that where there are only serious questions going to the merits—that is, less than a likelihood of success on the merits—a preliminary injunction may still issue so long as the balance of hardships tips sharply in the plaintiff’s favor and the other two factors are satisfied.

1 *Id.* at 887–88 (internal quotation marks omitted) (quoting *Short v. Brown*, 893 F.3d 671,
2 675 (9th Cir. 2018)). In other words, “[a] preliminary injunction may be granted . . . where
3 the moving party demonstrates either ‘(1) a combination of probable success on the
4 merits *and* the possibility of irreparable injury *or* (2) the existence of serious questions
5 going to the merits *and* that the balance of hardships tips sharply in [its] favor.’” *Grocery*
6 *Outlet Inc. v. Albertson’s Inc.*, 497 F.3d 949, 951 (9th Cir. 2007) (emphasis and second
7 alteration in original) (quoting *Sardi’s Rest. Corp. v. Sardie*, 755 F.2d 719, 723 (9th Cir.
8 1985)).

9 A preliminary injunction is an “extraordinary remedy that may only be awarded
10 upon a clear showing that the plaintiff is entitled to such relief.” *Winter*, 555 U.S. at 22.
11 Consequently, “[t]he court may issue a preliminary injunction only on notice to the adverse
12 party[,]” *see* Fed. R. Civ. P. 65(a)(1), and “only if the movant gives security in an amount
13 that the court considers proper to pay the costs and damages sustained by any party found
14 to have been wrongfully enjoined.” *See* Fed. R. Civ. P. 65(c). “Every order granting an
15 injunction and every restraining order must: (A) state the reasons why it issued; (B) state
16 its terms specifically; and (C) describe in reasonable detail—and not by referring to the
17 complaint or other document—the act or acts restrained or required.” Fed. R. Civ. P.
18 65(d)(1).

19 Whether to “grant . . . a preliminary injunction is a matter committed to the discretion
20 of the trial judge[,]” and that decision will be “reverse[d] only if that discretion is abused
21 or the decision is based on an erroneous legal standard or clearly erroneous findings of
22 fact.” *See Sierra On-Line*, 739 F.2d at 1421.

23 ANALYSIS

24 Through the instant Motion, Plaintiffs seek a preliminary injunction
25 to enjoin and restrain until the entry of final judgment in this action
26 Defendants . . . , together with their agents, employees, representatives, and
27 all persons and entities in concert or participation with them from engaging
28 in, committing or performing, directly or indirectly, any and all of the
following acts:

1 1. Using in any way, including in connection with the promotion,
2 marketing, advertising, and sale of products or services, Zest’s LOCATOR®
3 color retention insert trademarks, Zest’s LOCATOR® product suite trade
4 dress, or any trademarks or trade dress that are a colorable imitation thereof,
or confusingly similar thereto; and

5 2. Importing into the United States any products that use the LOCATOR®
6 color retention insert trademarks, the LOCATOR® product suite trade dress,
7 or any trademarks or trade dress that are a colorable imitation thereof, or
confusingly similar thereto.

8 (*See* Mot. at II.) The Court therefore proceeds to analyze Plaintiffs’ showing under the
9 *Winter* factors and then to weigh those factors under the Ninth Circuit’s variant standards
10 to determine Plaintiffs’ entitlement to preliminary injunctive relief.

11 **I. Likelihood of Success on the Merits**

12 Plaintiffs contend that they are entitled to preliminary injunctive relief because they
13 are likely to succeed on their claims that Defendants’ DESSLoc® products infringe both
14 (1) the Zest Insert Color Marks, (*see* Compl. ¶¶ 78–98, 116–24), which comprise the
15 Registered Zest Insert Color Marks for each of the LOCATOR® colored inserts, together
16 with what the Court has termed the Zest Insert Combination Marks, which are
17 “combinations of the Registered Zest Insert Color Marks, appearing both with and without
18 packaging,” that are sold in Plaintiffs’ standard and extended retention strength sets, (*see*
19 *id.* ¶¶ 34–35); and (2) the LOCATOR® Trade Dress, (*see id.* ¶¶ 99–109), which is defined
20 by the “characteristic LOCATOR® insert colors and distinctively-shaped gold
21 LOCATOR® abutments,” (*see, e.g., id.* ¶ 20). (*See generally* Mot. at 14–28.) Because it
22 is undisputed that neither the Zest Insert Color Marks nor the LOCATOR® Trade Dress
23 are registered on the United States Patent and Trademark Office’s (“PTO”) Principal
24 Register, (*see* Reply at 8–9), the analysis for both Plaintiff’s trademark and trade dress
25 infringement claims “is very similar.” *See Int’l Jensen, Inc. v. Metrosound U.S.A., Inc.*, 4
26 F.3d 819, 823 (9th Cir. 1993) (citing *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763,
27 773 (1992); *Rachel v. Banana Republic, Inc.*, 831 F.2d 1503, 1506 (9th Cir. 1987)).

28 ///

1 “Under either theory[, Plaintiffs] must show the [Zest Insert Color Marks and
2 LOCATOR® Trade Dress are]: (1) nonfunctional; (2) either inherently distinctive or
3 ha[ve] acquired a secondary meaning; and (3) likely to be confused with [Defendants’
4 DESSLoc®] products by members of the consuming public.” *See id.* (citing *Two*
5 *Pesos*, 505 U.S. at 769–70; *HWE Inc. v. JB Research, Inc.*, 993 F.2d 694, 696 (9th Cir.
6 1993); *First Brands Corp. v. Fred Meyer, Inc.*, 809 F.2d 1378, 1381 (9th Cir. 1987)); *see*
7 *also adidas Am., Inc. v. Skechers USA, Inc.*, 890 F.3d 747, 754 (9th Cir. 2018) (quoting *Art*
8 *Attacks Ink, LLC v. MGA Entm’t Inc.*, 581 F.3d 1138, 1145 (9th Cir. 2009)). Defendants
9 challenge Plaintiffs’ showing as to each of these requirements.⁸ (*See* Opp’n at 12–27.)

10 **A. Functionality**

11 “Trademark or trade dress protection extends only to product features that are
12 nonfunctional.” *Disc Golf Ass’n, Inc. v. Champion Discs, Inc.*, 158 F.3d 1002, 1006 (9th
13 Cir. 1998). Like the Supreme Court, the Ninth Circuit recognizes two types of
14 functionality, “each with its own legal test.” *See Blumenthal Distrib., Inc. v. Herman*
15 *Miller, Inc.*, 963 F.3d 859, 865 (9th Cir. 2020) (citing *TrafFix Devices, Inc. v. Mktg.*
16 *Displays, Inc.*, 532 U.S. 23, 32–33 (2001)), *cert. denied*, 141 S. Ct. 1514 (2021). “The two
17 types are ‘utilitarian functionality,’ which is based on how well the product works, and
18 ‘aesthetic functionality,’ which is based on how good the product looks.” *Id.* (citing *Au-*
19 *Tomotive Gold, Inc. v. Volkswagen of Am., Inc.*, 457 F.3d 1062, 1067, 1073–74 (9th Cir.
20 2006)). “If the claimed trade dress has either type of functionality, it is unprotectable.” *Id.*
21 (citing *Au-Tomotive Gold*, 457 F.3d at 1072).

22 Accordingly, “the test for functionality proceeds in two steps.” *Millennium Lab’ys,*
23 *Inc. v. Ameritox, Ltd.*, 817 F.3d 1123, 1128 (9th Cir. 2016) (quoting *Au-Tomotive Gold,*
24 _____

25 ⁸ Defendants do not contest that Plaintiffs, who have used the Zest Insert Color Marks and LOCATOR®
26 Trade Dress in commerce for approximately twenty years, (*see, e.g.,* Stratton Decl. ¶¶ 9–10; Towse Decl.
27 ¶ 17), have priority of use over DESSLoc®, which first began offering its colored inserts in 2015, (*see,*
28 *e.g.,* Terrats Decl. ¶¶ 11, 14, 16–18). *See, e.g., Rearden LLC v. Rearden Com., Inc.*, 683 F.3d 1190, 1203
(9th Cir. 2012) (“It is axiomatic in trademark law that the standard test of ownership is priority of use.”
(quoting *Sengoku Works Ltd. v. RMC Int’l, Ltd.*, 96 F.3d 1217, 1219 (9th Cir. 1996))).

1 457 F.3d at 1072). First, the court assesses whether the claimed trade dress has utilitarian
2 functionality, meaning “it is essential to the use or purpose of a product or affects its cost
3 or quality.” *Blumenthal*, 963 F.3d at 865 (citing *Millennium*, 817 F.3d at 1127–28 (citing
4 *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982))). “If the claimed
5 trade dress is determined to be functional under Step One, then ‘the inquiry is over.’”
6 *Millennium*, 817 F.3d at 1129 (quoting *Au-Tomotive Gold*, 457 F.3d at 1072). “If not, the
7 court must proceed to the second step and address aesthetic functionality.” *Id.*

8 Where, as here, a plaintiff “define[s] its claimed trade dress as the ‘overall
9 appearance’ of its product[,] . . . these tests must be applied with extra care to prevent
10 ‘semantic trickery’ from obscuring the functionality of the design the plaintiff seeks to
11 monopolize.” *See Blumenthal*, 963 F.3d at 865–66 (footnote omitted). Consequently, the
12 Ninth Circuit has “held that the proper standard for whether a claimed trade dress
13 consisting of an ‘overall appearance’ is functional is whether ‘protecting the trade dress
14 threatens to eliminate a substantial swath of competitive alternatives in the relevant
15 market.’” *Id.* at 866 (quoting *Clicks Billiards, Inc. v. Sixshooters, Inc.*, 251 F.3d 1252,
16 1261 n.5 (9th Cir. 2001)).

17 1. *Utilitarian Functionality*

18 To determine whether a claimed trade dress has utilitarian functionality, courts “use
19 the four-factor test from *Disc Golf*.” *See Blumenthal*, 963 F.3d at 865 (citing *Millennium*,
20 817 F.3d at 1129). “The *Disc Golf* factors are: ‘(1) whether the design yields a utilitarian
21 advantage, (2) whether alternative designs are available, (3) whether advertising touts the
22 utilitarian advantages of the design, and (4) whether the particular design results from a
23 comparatively simple or inexpensive method of manufacture.’” *Id.* (quoting *Millennium*,
24 817 F.3d at 1128 (quoting *Disc Golf*, 158 F.3d at 1006)). “No one factor is dispositive; all
25 should be weighed collectively.” *Id.* (quoting *Millennium*, 817 F.3d at 1130 (quoting *Disc*
26 *Golf*, 158 F.3d at 1006)).

27 Here, Plaintiffs claim a valid, protectable interest in both the Zest Insert Color Marks
28 and the LOCATOR® Trade Dress. The Court therefore analyzes each separately.

1 a. Zest Insert Color Marks

2 The Zest Insert Color Marks are themselves comprised of both the Registered Zest
3 Insert Color Marks and Zest Insert Combination Marks. (See Compl. ¶¶ 34–35.) Plaintiffs
4 contend that their “primary purpose . . . is to distinguish Zest’s inserts aesthetically from
5 competing brands’ inserts,” (see Mot. at 17 (citing Stratton Decl. ¶ 7)), while Defendants
6 counter that “[t]he Asserted Zest IP insert colors are purely functional: they indicate
7 retention strength.” (See Opp’n at 13.)

8 Upon consideration of the claimed marks under the *Disc Golf* factors, the Court
9 concludes that the Zest Insert Color Marks have utilitarian functionality. Regarding the
10 first factor, as Plaintiffs themselves acknowledge, the Zest Insert Color Marks do yield a
11 utilitarian advantage, *i.e.*, “indicat[ing] . . . retention strength.” (See Mot. at 17.) Indeed,
12 the record before the Court indicates that it is industry standard to use different colors to
13 convey retention strength, (see Morris Decl. ¶ 11; Szara Decl. ¶ 12), in part because there
14 are no plausible alternatives. (See Terrats Decl. ¶ 14.)

15 As for the second factor, Plaintiffs contend that they “do[] not claim rights in *all*
16 insert colors or color-coding of inserts as a concept,” (see Reply at 4), and that “there are
17 numerous alternative colors . . . that competitors could (and do) use to indicate varying
18 retention strengths.” (See Mot. at 18 (emphasis in original) (citing Towse Decl. ¶ 18;
19 Stratton Decl. ¶ 15; ECF No. 15-5 (“Pls.’ Ex. A”).) The Registered Zest Insert Color
20 Marks, however, consist of six distinct marks, each asserting rights over a separate color
21 divorced from retention strength. (See ECF No. 15-10 (“Pls.’ Ex. F”).) If the Court were
22 to conclude that Plaintiffs have a valid and protectable interest in each of the Registered
23 Zest Insert Color Marks, Plaintiffs could foreclose their competitors from using many
24 alternative insert designs that include the colors blue, pink, clear, red, orange, and green.⁹

25
26
27 ⁹ Indeed, many of Plaintiffs’ competitors are already using at least one of these colors for their inserts.
28 (See, *e.g.*, Pls.’ Ex. A at 6–10 (Rhein83 OT Equator: pink, clear, red), 17 (Straumann Novaloc: green),
19–20 (BioHorizons OD Secure: pink, clear).)

1 *See, e.g., First Brands*, 809 F.2d at 1382–83 (affirming district court’s denial of preliminary
2 injunction involving yellow, one-gallon, F-style jugs because, “if [the plaintiff] were
3 granted protection of its . . . trade dress, it would in effect be getting a trademark on the
4 color yellow as a background color for an ordinary-shaped container . . . [, which] would
5 deplete a primary color available to competitors and deprive them of a competitive need”).

6 Similarly, the Zest Insert Combination Marks seek protection for “[t]he color(s)
7 clear, pink and blue,” (*see* ECF No. 15-11 (“Pls.’ Ex. G”) at 382, 395), and “[t]he color(s)
8 red, green and orange,” (*see id.* at 408, 419), both without any packaging, (*see id.* at 387,
9 413, and inside an unmarked, clear plastic tube. (*See id.* at 400, 424.) As with the
10 Registered Zest Insert Color Marks, protection of the Zest Insert Combination Marks could
11 foreclose Plaintiffs’ competitors from offering any combination of clear, pink, and blue
12 and red, green, and orange inserts, despite the associated retention strengths. In other
13 words, even though Plaintiffs “do[] not claim rights in *all* insert colors,” (*see* Reply at 4
14 (emphasis in original)), a large number of alternative designs would be foreclosed if
15 Plaintiffs were allowed to exert rights over the Zest Insert Color Marks.

16 Third, while Plaintiffs’ advertising may not “tout” the utilitarian advantages of the
17 Zest Insert Color Marks, the colors (and corresponding retention strengths) have been—
18 and currently are—prominently depicted in Plaintiffs’ promotional materials over the last
19 decade. (*See, e.g.,* ECF No. 15-6 (“Pls.’ Ex. B”) at 44–45, 48, 50, 56, 59, 98, 101, 108,
20 110, 112, 127, 129, 155, 161.) In any event, the utilitarian advantages of the Zest Insert
21 Color Marks are likely apparent to Plaintiffs’ customer base given that the use of color to
22 differentiate among retention strengths is the industry standard. (*See* Morris Decl. ¶ 11;
23 Szara Decl. ¶ 12.)

24 Finally, there is no indication that the Zest Insert Color Marks are any more simple
25 or inexpensive to manufacture than any other inserts. Although this final factor therefore
26 would appear to be neutral, the remaining factors weigh in favor of concluding that the
27 Zest Insert Color Marks have utilitarian functionality. Accordingly, the Court concludes

28 ///

1 that Plaintiffs fail to establish a likelihood of succeeding on the merits of their trademark
2 infringement claims based on the Zest Insert Color Marks.

3 b. LOCATOR® Trade Dress

4 By comparison to the Zest Insert Color Marks, the LOCATOR® Trade Dress
5 incorporates a variety of elements—insert colors combined with a trilobe-topped, gold
6 abutment. Defendants contend that, “[b]ecause *each* component of the Asserted Zest IP
7 has both utilitarian and aesthetic functionality, Zest has failed to make a ‘clear showing’ of
8 a likelihood of success on proving the non-functionality of the Asserted Zest IP.”¹⁰ (*See*
9 *Opp’n* at 13 (emphasis in original).)

10 The Ninth Circuit has concluded that Defendants’ “argument—that the [abutments]’
11 overall appearances are functional ‘because they *include*, in whole or *in part*, elements that
12 are functional’ . . . —is a nonstarter.” *See Blumenthal*, 963 F.3d at 867 (emphasis in
13 original). This is because, as Plaintiffs point out, (*see Reply* at 4 (citing *Clicks Billiards*,
14 251 F.3d at 1259)), the LOCATOR® Product Suite must be examined “as a whole.” *See*
15 *Blumenthal*, 963 F.3d at 866. “[T]o examine a product ‘as a whole’ is to examine all of its
16 features, including the ways in which its various parts are combined or arranged, and to
17 recognize that nonfunctional combinations or arrangements of functional parts can create
18 an overall appearance that should be deemed nonfunctional.” *See id.* (citing *Leatherman*
19 *Tool Grp., Inc. v. Cooper Indus., Inc.*, 199 F.3d 1009, 1011 n.3, 1013 (9th Cir. 1999)).

20 While it is clear that the LOCATOR® inserts and abutments each serve a functional
21 purpose, “[t]he fact that individual elements of the trade dress may be functional does not
22 necessarily mean that the trade dress *as a whole* is functional; rather, ‘functional elements
23 that are separately unprotectable can be protected together as part of a trade dress.’” *See*
24 *Clicks Billiards*, 251 F.3d at 1259 (emphasis in original) (quoting *Fuddruckers, Inc. v.*
25

26
27 ¹⁰ For purposes of their Opposition, Defendants define “Asserted Zest IP” to mean (1) each individual
28 color of its color-coded insert caps; (2) the gold abutment color, and (3) the triangular-shaped abutment.”
(*See Opp’n* at 2.)

1 *Doc's B.R. Others, Inc.*, 826 F.2d 837, 842 (9th Cir. 1987)). Here, Plaintiffs introduce
2 evidence that the overall appearance of the LOCATOR® Product Suite “derive[s] from
3 non-utilitarian design choices,” *see, e.g., Blumenthal*, 963 F.3d at 867, such as the specific
4 colors it has selected to differentiate between inserts with different retention strengths, (*see*
5 Stratton Decl. ¶¶ 7–10; Towse Decl. ¶¶ 9–12, 18); the specific shape where the abutment
6 top receives a torquing tool, (*see* Stratton Decl. ¶ 12; Towse Decl. ¶¶ 7–8); and the gold
7 abutment color resulting from its selection of a titanium nitride coating. (*See* Towse Decl.
8 ¶ 6.) There is no evidence that the combination of these design choices would confer any
9 utilitarian advantage over Plaintiffs’ competitors.

10 Further, unlike the Zest Insert Color Marks, *see supra* Section I.A.1.a, protecting the
11 LOCATOR® Trade Dress would not “threaten[] to eliminate a substantial swath of
12 competitive alternatives in the relevant market.” *See Blumenthal*, 963 F.3d at 866 (quoting
13 *Clicks Billiards*, 251 F.3d at 1261 n.5). As Defendants’ own evidence reveals, there are
14 many alternate insert color combinations, (*see, e.g.*, ECF No. 36-30 (“Defs.’ Ex. U”)), and,
15 as Defendants’ own website demonstrates, there is a wide array of shapes used on the top
16 of abutments. (*See, e.g.*, ECF No. 15-21 (“Pls.’ Ex. Q”) at 504.) Further, while many of
17 Plaintiffs’ competitors use a titanium nitride coating, (*see* Morris Decl. ¶ 9; Szara Decl.
18 ¶ 13), resulting in a gold-colored abutment,¹¹ (*see* Towse Decl. ¶ 6), others do not. (*E.g.*,
19 Pls.’ Ex. A at 2, 12–13 (Straumann Novaloc’s black, “carbon-based coating”); Defs.’ Ex.
20 U at 537 (Meg-Loc’s silver, titanium abutment), 538 (Optiloc’s silver, titanium abutment).)

21 Given the lack of evidence that Plaintiffs tout the utilitarian purposes of the
22 LOCATOR® Product Suite’s combined specific design choices or that those choices in
23 combination are comparatively simple or inexpensive to manufacture,¹² the Court
24

25 ¹¹ Indeed, while DESSLoc® also offers a gold-colored abutment, it is naturally a lighter gold color because
26 Defendants use a different, zirconium nitride coating. (*See* Terrats Decl. ¶¶ 12–13; Szara Decl. ¶ 14.)

27 ¹² While Defendants have introduced evidence that DESSLoc®’s zirconium nitride coating is more
28 expensive than LOCATOR®’s titanium nitride coating as a result of licensing fees, (*see* Terrats Decl.
¶ 13), it is clear that Defendants elected a more expensive coating because it confers certain perceived

1 concludes that the LOCATOR® Trade Dress does not have utilitarian functionality and
2 proceeds to step two of the functionality analysis.

3 2. *Aesthetic Functionality*

4 Under the second step of the functionality analysis, “[a] claimed trade dress has
5 aesthetic functionality if it serves ‘an aesthetic purpose wholly independent of any source
6 identifying function,’ such that the trade dress’s protection under trademark law ‘would
7 impose a significant non-reputation-related competitive disadvantage’ on its owner’s
8 competitors.” *Blumenthal*, 963 F.3d at 865 (quoting *Millennium*, 817 F.3d at 1129, 1131).

9 [T]he inquiry is whether, if one seller were given exclusive rights to use the
10 claimed trade dress, other sellers would be forced to use alternative designs
11 that make their products more costly to sell, or for which consumers’
12 willingness to pay would be lower for reasons having nothing to do with the
13 reputation of any source (e.g., the alternative designs would not have as much
intrinsic aesthetic appeal).

14 *Id.* “If such competitive disadvantages would be significant, then this second requirement
15 for aesthetic functionality is satisfied.” *Id.*

16 As discussed above, *see supra* Section I.A.1.b, there are a wide array of available
17 insert colors, shapes to accept torquing tools, and coatings—and an even greater
18 combination of those elements—available to other manufacturers of abutments.
19 Consequently, neither Defendants nor any of Plaintiffs’ other competitors would “be at a
20 non-reputation-related competitive disadvantage” if they were disallowed from using the
21 same combination of those elements Plaintiffs have selected for the LOCATOR® Trade
22 Dress. (*Cf.* Opp’n at 14 (“DESS would . . . be at a non-reputation-related competitive
23 disadvantage if it could not color code its inserts.”), 15 (“DESS would again be at a non-

24
25 advantages, such as “improv[ing] overall mechanical resistance and reduc[ing] gingival inflammation and
26 plaque adhesion,” (*see id.*), and superior strength and scratch resistance. (*See* Szara Decl. ¶ 14.) In any
27 event, recognizing a protectable interest in Plaintiffs’ LOCATOR® Trade Dress would not foreclose its
28 competitors from using titanium nitride; rather, it would only foreclose its competitors from using a
titanium nitride coating *in combination with* the same insert colors and same shaped abutment that
comprise the LOCATOR® Trade Dress.

1 reputation-related competitive disadvantage if it could not use its own licensed and
2 distinctively different coating and associated gold color.”.)

3 Further, Plaintiffs have introduced evidence that the LOCATOR® Trade Dress does
4 not serve “an aesthetic purpose wholly independent of any source identifying function.”
5 For example, Zest’s President and Chief Executive Officer attests that the LOCATOR®
6 Product Suite’s “palette of colorful inserts, which has never changed, and the shape and
7 color of [its] gold abutments reflect aesthetic choices that serve to define [Plaintiffs’]
8 brand.” (See Stratton Decl. ¶ 13; see also *id.* ¶ 7 (“When we launched LOCATOR®
9 decades ago, we chose [blue, pink, clear, red, orange, and green inserts] to distinguish our
10 product suite.”).) On the other hand, there is no evidence that the LOCATOR® Trade
11 Dress has more intrinsic, aesthetic appeal than the combinations employed by its
12 competitors. (See Mot. at 19 (“[D]ental professionals do not purchase products bearing . . .
13 the LOCATOR® Trade Dress because of their ‘intrinsic’ aesthetic appeal. . . . They
14 purchase the LOCATOR® Product Suite because of its high quality and durability, not
15 [because it is a] beautiful product.” (citation and quotation marks omitted; fourth alteration
16 in original)).)

17 Accordingly, the Court concludes that the LOCATOR® Trade Dress does not have
18 aesthetic functionality. See, e.g., *Millennium*, 817 F.3d at 1131 (denying the defendant’s
19 motion for summary judgment as to aesthetic functionality where the plaintiff “presented
20 evidence that the [claimed trade dress] served in part a source-identifying function”).

21 3. Conclusion

22 Because the Court concludes that the Zest Insert Color Marks have utilitarian
23 functionality, see *supra* Section I.A.1.a, the Court necessarily concludes that Plaintiffs
24 cannot establish a serious question going to, much less a likelihood of success on, the merits
25 as to their trademark infringement claim. But because the Court concludes that the
26 LOCATOR® Trade Dress has neither utilitarian nor aesthetic functionality, see *supra*
27 Sections I.A.1.b, I.A.2, respectively, the Court therefore concludes that Plaintiffs have

28 ///

1 carried their burden of demonstrating that the LOCATOR® Trade Dress is non-functional
2 and proceeds to the next step of its analysis.

3 **B. Secondary Meaning**

4 “A trade dress has acquired secondary meaning when consumers associate the
5 design features with a particular producer.” *adidas*, 890 F.3d at 754 (citing *Fleischer*
6 *Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 967 (9th Cir. 2011)). In other words, “a
7 plaintiff must demonstrate ‘a mental recognition in buyers’ and potential buyers’ minds
8 that products connected with the [mark] are associated with the same source.” *See Art*
9 *Attacks*, 581 F.3d at 1145 (alteration in original) (quoting *Japan Telecom v. Japan Telecom*
10 *Am.*, 287 F.3d 866, 873 (9th Cir. 2002)).

11 “A plaintiff may establish secondary meaning through direct and circumstantial
12 evidence.” *Cont’l Lab’y Prod., Inc. v. Medax Int’l, Inc.*, 114 F. Supp. 2d 992, 999–1000
13 (S.D. Cal. 2000) (citing 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair*
14 *Competition* § 15:30 (4th ed. 2000) (“McCarthy”). “Direct evidence, such as consumer
15 surveys and direct consumer testimony, often provides the strongest evidence of secondary
16 meaning.”¹³ *Id.* at 1000 (first citing *Levi Strauss & Co. v. Blue Bell, Inc.*, 778 F.2d 1352,
17 1358 (9th Cir. 1985); then citing *Vision Sports, Inc. v. Melville Corp.*, 888 F.2d 609, 615
18 (9th Cir. 1989)). “A plaintiff may also establish secondary meaning through circumstantial
19 evidence, such as: exclusivity, manner, and length of use, amount and manner of
20 advertising, amount of sales and the number of customers, and plaintiff’s established place
21 in the market.” *Id.* (citing *Filipino Yellow Pages, Inc. v. Asian Journal Pubs., Inc.*, 198
22 F.3d 1143, 1151 (9th Cir. 1999); *Clamp Mfg. Co. v. Enco Mfg. Co.*, 870 F.2d 512, 517 (9th
23 Cir. 1989)); *accord adidas*, 890 F.3d at 754 (“Some of the relevant factors for determining
24 secondary meaning include the exclusivity, manner, and length of use of the trade dress,
25

26
27 ¹³ Defendants fault Plaintiffs for not introducing such direct evidence. (See Opp’n at 18.) But “survey
28 evidence is only one of the most persuasive ways to prove secondary meaning, and not a requirement for
such proof,” *Comm. for Idaho’s High Desert, Inc. v. Yost*, 92 F.3d 814, 822 (9th Cir. 1996), particularly
at the preliminary injunction phase.

1 the amount and manner of advertising, the amount of sales, and proof of intentional
2 copying by the defendant.” (citing *Art Attacks*, 581 F.3d at 1145)). “Evidence of deliberate
3 copying may, in appropriate cases, support an inference of secondary meaning.” *Cont’l*
4 *Lab’y*, 114 F. Supp. 2d at 1000 (citing *Fuddruckers, Inc.*, 826 F.2d at 844).

5 Here, Plaintiffs contend that the LOCATOR® Trade Dress has acquired secondary
6 meaning because of its long, exclusive use; Plaintiffs’ substantial advertising efforts; and
7 Defendants’ exact copying. (See Mot. at 20–21.) Separately addressing the LOCATOR®
8 insert colors and abutment shape, Defendants counter that Plaintiffs have failed to carry
9 their burden. (See Opp’n at 16–20.) Again, Defendants miss the mark by failing to address
10 the LOCATOR® Trade Dress as a whole.¹⁴ See *supra* Section I.A.2. Nonetheless, because
11 Plaintiffs bear the burden of establishing their entitlement to preliminary injunctive relief,
12 the Court must assure itself that Plaintiffs adequately have demonstrated that the
13 LOCATOR® Trade Dress has acquired secondary meaning based on the record before it.

14 First, Plaintiffs have introduced evidence that they first began continuously and
15 exclusively using the LOCATOR® Trade Dress in 1999. (See Towse Decl. ¶ 14.)
16 Plaintiffs therefore enjoyed continuous and exclusive use for approximately sixteen years
17 before DESSLoc® entered the United States market in 2015. (See Terrats Decl. ¶ 19.)
18 Although this is but one factor in the analysis, see, e.g., *Walker & Zanger, Inc. v. Paragon*
19 *Indus., Inc.*, 549 F. Supp. 2d 1168, 1180 (N.D. Cal. 2007) (citing McCarthy § 15:53), the
20 Ninth Circuit has suggested that nine years is “a fairly long time” and that “[f]ive years of
21 exclusive use is prima facie evidence of secondary meaning.”¹⁵ *Cal. Scents v. Surco Prod.,*
22 *Inc.*, 28 F. App’x 659, 663 (9th Cir. 2002) (citing 15 U.S.C. § 1052(f)).

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25 ¹⁴ Defendants, for example, argue that the PTO’s 2014 denial of Plaintiffs’ applications to have the
26 Registered Zest Insert Color Marks placed on the Principal Register are “dispositive” of the secondary
27 meaning issue. (See Opp’n at 17–18.) Even if this were true, (*cf.* Reply at 8–10), the PTO examined *only*
28 the Registered Zest Insert Color Marks, not the LOCATOR® Trade Dress.

¹⁵ *California Scents* is unpublished, see 9th Cir. Rule 36-3, and there appears to be a split in authority as
to whether five years of exclusive use in commerce establishes a prima facie case of secondary meaning.

1 Plaintiffs also introduce evidence that they have expended significant amounts of
2 money over the years on advertisements depicting the LOCATOR® Trade Dress. (*See*,
3 *e.g.*, Stratton Decl. ¶¶ 18–20 (depicting advertisements displaying the LOCATOR® trade
4 dress (citing Pls.’ Ex. B at 44–45, 56, 108)), ¶ 23 (noting that Plaintiffs have spent
5 approximately \$ [REDACTED] per year marketing LOCATOR®, which represents
6 approximately [REDACTED] % of its annual revenue).) Of course, “[a] large expenditure of money
7 does not in itself create legally protectable rights[because] . . . [t]he test of secondary
8 meaning is the effectiveness of the effort to create it.” *See First Brands*, 809 F.2d at 1383
9 (first alteration in original) (internal quotation marks omitted) (quoting *Carter-Wallace*,
10 *Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 800, 802 (9th Cir. 1970)). Here, however,
11 Plaintiffs’ advertising has resulted in it becoming an award-winning, “market leader in
12 removable denture attachment products,” that now “is the most popular and widely used
13 denture attachment system in the world.” (*See* Stratton Decl. ¶¶ 5, 30–31.) Further,
14 although “[s]econdary meaning and likelihood of buyer confusion are separate but related
15 determinations,” *see adidas*, 890 F.3d at 754 (quoting *Levi Strauss Co. v. Blue Bell, Inc.*,
16 632 F.2d 817, 821 (9th Cir. 1980)), Plaintiffs’ “evidence of the history of marketing their
17 product and that at least one consumer was indeed confused by the similarity” of
18 DESSLoc® to the LOCATOR® Trade Dress, (*see* Scherer Decl. ¶¶ 21–23), supports an
19 inference of secondary meaning. *See Am. Rena Int’l Corp v. Sis-Joyce Int’l Co.*, No. CV-
20 12-06972-DMG-JEMX, 2012 WL 12538385, at *7 (C.D. Cal. Oct. 15, 2012), *aff’d*, 534 F.
21 App’x 633 (9th Cir. 2013).

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24 *Compare CytoSport, Inc. v. Vital Pharms., Inc.*, 617 F. Supp. 2d 1051, 1079 (E.D. Cal.) (“Prima facie
25 evidence of the development of secondary meaning is established where a mark has been continuously
26 and exclusively used for a period of five years.” (citing *Secular Org. for Sobriety Inc. v. Ullrich*, 213 F.3d
27 1125, 1130 (9th Cir. 2000)), *aff’d*, 348 F. App’x 288 (9th Cir. 2009), with *Sand Hill Advisors, LLC v.*
28 *Sand Hill Advisors, LLC*, 680 F. Supp. 2d 1107, 1116 (N.D. Cal. 2010) (“Neither party discusses the
threshold question of whether section 2(f) is germane in a[trademark] infringement case where the mark
is *unregistered*. Stated simply, it is not.” (emphasis in original)). In any event, Plaintiffs used the
LOCATOR® Trade Dress exclusively in commerce for sixteen years—providing a substantial window
for the LOCATOR Trade Dress to assume secondary meaning—before DESSLoc® entered the market.

1 Finally, “[p]roof of copying strongly supports an inference of secondary meaning.”
2 *adidas*, 890 F.3d at 755 (alteration in original) (quoting *Vision Sports*, 888 F.2d at 615).
3 Defendants contend that they initially bought the DESSLoc® abutments and inserts
4 through another company, Futuracam, (*see* Terrats Decl. ¶¶ 10, 16), but this was spurred
5 by inquiries from Defendants’ Spanish customers as to whether they “had a product
6 compatible with Zest’s LOCATOR® abutment.” (*See id.* ¶ 10 (emphasis added).) In any
7 event, “[t]he similarities between the [LOCATOR® Trade Dress] and [DESSLoc®] are
8 unmistakable.” *See adidas*, 890 F.3d at 755. Defendants point out slight variations in
9 shade between the inserts, (*see* Szara Decl. ¶ 15), and the lighter gold color of their
10 abutments. (*See* Terrats Decl. ¶ 13; Szara Decl. ¶ 14.) But these “[m]inor differences . . .
11 do not negate the overall impression of similarity,” *see adidas*, 890 F.3d at 755 (citing
12 *Clicks Billiards*, 251 F.3d at 1259), and the corresponding inference of direct copying. As
13 Plaintiffs note, “[t]here is no logical reason for [Defendants’] precise copying save an
14 attempt to realize upon a secondary meaning that is in existence.” (*See* Mot. at 20 (second
15 alteration in original) (quoting *Transgo, Inc. v. Ajac Transmission Parts Corp.*, 768 F.2d
16 1001, 1016 (9th Cir. 1985)).)

17 Accordingly, the Court concludes that Plaintiffs’ have established that the
18 LOCATOR® Trade Dress has acquired secondary meaning. *See, e.g., Vision Sports*, 888
19 F.2d at 615 (affirming district court’s conclusion that “logo ha[d] acquired secondary
20 meaning . . . based on [the plaintiff]’s extensive use and promotion of the logo and also on
21 [the defendant]’s deliberate and close imitation of the design”).

22 **C. Likelihood of Confusion**

23 The final factor—likelihood of confusion—“turns on whether a reasonably prudent
24 consumer would be confused about the source of the goods bearing the marks.” *See adidas*,
25 890 F.3d at 755 (citing *Dreamwerks Prod. Grp., Inc. v. SKG Studio*, 142 F.3d 1127, 1129
26 (9th Cir. 1998)). “Likelihood of confusion in the trade dress context is evaluated by
27 reference to the same factors used in the ordinary trademark context[, which] . . . are

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1 commonly referred to as the ‘*Sleekcraft* factors.’” *Id.* (quoting *Vision Sports*, 888 F.2d at
2 616). Pursuant to *Sleekcraft*,

3 In determining whether confusion between related goods is likely, the
4 following factors are relevant:

- 5 1. strength of the mark;
- 6 2. proximity of the goods;
- 7 3. similarity of the marks;
- 8 4. evidence of actual confusion;
- 9 5. marketing channels used;
- 10 6. type of goods and the degree of care likely to be exercised by the
11 purchaser;
- 12 7. defendant’s intent in selecting the mark; and
- 13 8. likelihood of expansion of the product lines.

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16 *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341, 348–49 (9th Cir. 1979) (footnote omitted)
17 (citing *Sleeper Lounge Co. v. Bell Mfg. Co.*, 253 F.2d 720, 722 (9th Cir. 1958));
18 Restatement (First) of Torts § 731 (1938)), *abrogated on other grounds by Mattel, Inc. v.*
19 *Walking Mountain Prods.*, 353 F.3d 792 (9th Cir. 2003). “[O]nly a subset of
20 the *Sleekcraft* factors are needed to reach a conclusion as to whether there is a likelihood
21 of confusion.” *adidas*, 890 F.3d at 756 (quoting *GoTo.com*, 202 F.3d at 1206).

22 As an initial matter, “the similarity of the marks[]has always been considered a
23 critical question in the likelihood-of-confusion analysis.” *See GoTo.com*, 202 F.3d at 1205
24 (citing *Brookfield Commc’ns, Inc. v. W. Coast Ent. Corp.*, 174 F.3d 1036, 1054 (9th Cir.
25 1999)). “Together with the relatedness of the services and the use of a common marketing
26 channel, this . . . factor constitutes part of the controlling troika in the *Sleekcraft* analysis.”
27 *See id.* Unfortunately for Defendants, they do not contest any of these “controlling”
28 factors. (*See generally* Opp’n at 21–27; *see also* Reply at 9.) Nor could they—both

1 LOCATOR® and DESSLoc® are denture attachment product suites, both use the same
2 insert colors to correspond to the same retention strength and the same trilobe shape on the
3 top of a gold-colored abutment,¹⁶ and both use nearly identical marketing channels.¹⁷

4 This leaves only four *Sleekcraft* factors in dispute: (1) the strength of the
5 LOCATOR® Trade Dress, (2) the degree of care likely to be exercised by the Parties’
6 clientele, (3) evidence of actual confusion, and (4) Defendants’ intent in designing its
7 DESSLoc® line.¹⁸ As for the first of these, “in situations in which the appearance of the
8 conflicting marks and the services provided are almost identical, ‘the strength of the mark
9 is of diminished importance in the likelihood of confusion analysis.’” *GoTo.com*, 202 F.3d
10 at 1208 (quoting *Brookfield*, 174 F.3d at 1059). As discussed above, *see supra* page 30,
11 Defendants have conceded the near identity in the appearance and goods provided. In any
12 event, even assuming that the LOCATOR Trade Dress is weak, the Court has concluded
13 that Plaintiffs have established that it is has acquired secondary meaning, *see supra* Section
14 I.B, thereby rendering it distinctive. *See, e.g., Aurora World, Inc. v. Ty Inc.*, 719 F. Supp.
15 2d 1115, 1158 (C.D. Cal. 2009) (“The distinctiveness of trade dress is related to the

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18 ¹⁶ As noted above, *see supra* Section I.B, Defendants do identify minor distinctions between the
19 LOCATOR® and DESSLoc® lines, such as slight variations in shade between the inserts, (*see* Szara
20 Decl. ¶ 15), and the lighter gold color of their abutments. (*See* Terrats Decl. ¶ 13; Szara Decl. ¶ 14.)
21 Figures 7 and 8, however, reveal the striking similarity between the LOCATOR® and DESSLoc®
abutments and inserts, respectively. *See supra* pages 10–11. Further, not only do the products look alike,
but they also have similar sounding names—ZestLoc (as a potential shorthand for Zest LOCATOR®)
sounds nearly identical to DESSLoc®.

22 ¹⁷ Between May 1, 2008, and September 2, 2021, Plaintiffs partnered with Zimmer Biomet to sell
23 LOCATOR® products under Zimmer Biomet’s OverdenSURE line. (*See* Towse Decl. ¶ 26.) In late
24 2021, after Plaintiffs’ partnership with Zimmer Biomet ended, Defendants partnered with Zimmer Biomet
25 to market in the United States a product identical to DESSLoc® under Zimmer Biomet’s OverdenSURE
26 line. (*See* Stratton Decl. ¶ 47; *see also* Towse Decl. ¶ 24; Terrats Decl. ¶ 25; Szara Decl. ¶ 14.) Zimmer
Biomet aside, there is not dispute that both Plaintiffs and Defendants use a number of the same marketing
channels. (*See, e.g.,* Stratton Decl. ¶ 48.)

27 ¹⁸ Plaintiffs correctly note that the eighth factor—likelihood of expansion of product lines—is “not
28 implicated” here, (*see* Reply at 10 n.3 (citing Mot. at 28)), because “DESS and Zest compete directly.”
(*See* Mot. at 28 (citing *Network Automation, Inc. v. Advanced Sys. Concepts, Inc.*, 638 F.3d 1137, 1153
(9th Cir. 2011)).)

1 question of secondary meaning.” (citing *TraFFix Devices*, 532 U.S. at 28)). There is also
2 evidence in the record that dental professionals associate the LOCATOR® Trade Dress
3 with Plaintiffs.¹⁹ (See, e.g., Scherer Decl. ¶ 15 (“As a practicing dentist and prosthodontist,
4 and in my work speaking with dentists and others in the dental field, I have found that
5 dental professionals automatically associate LOCATOR®’s distinctive aesthetic
6 features—the brightly-colored inserts and the distinctive abutments—with Zest.”),
7 ¶¶ 21–23 (discussing customer confusion).) This factor therefore favors Plaintiffs.

8 As for degree of consumer care, “[c]onfusion is less likely where buyers exercise
9 care and precision in their purchases, such as for expensive or sophisticated items. In
10 evaluating this factor, [courts are to] consider ‘the typical buyer exercising ordinary
11 caution.’” See *Au-Tomotive Gold*, 457 F.3d at 1076 (citing *Sleekcraft*, 599 F.2d at 353).
12 Here, it is undisputed that buyers of the Parties’ products are dental professionals, (see
13 Stratton Decl. ¶ 17; Towse Decl. ¶ 19; Terrats Decl. ¶ 24; Morris Decl. ¶¶ 2, 7, 13), who
14 “are sophisticated consumers who will exercise heightened care.” See *Juno Therapeutics,*
15 *Inc. v. Juno Biomed., Inc.*, No. 17-CV-04196-JSC, 2018 WL 2021483, at *6 (N.D. Cal.
16 Mar. 26, 2018) (citing *Vertos Med., Inc. v. Globus Med., Inc.*, No. C 09-1411 PJH, 2009
17 WL 3740709, at *8–9 (N.D. Cal. Nov. 6, 2009); *Asuragen, Inc. v. Accuragen, Inc.*, Case
18 No. 16-cv-05440-RS, 2018 WL 558888, at *3 (N.D. Cal. Jan. 25)), *report and*
19 *recommendation adopted*, No. 2018 WL 1993407 (N.D. Cal. Apr. 27, 2018). A “higher
20 standard,” however, “will not preclude a finding that confusion is likely.” See *Sleekcraft*,
21 599 F.2d at 353 (citing *Am. Drill Brushing Co. v. Rockwell Mfg. Co.*, 342 F.2d 1019, 1022
22 (C.C.P.A. 1965)).

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26 ¹⁹ Defendants attempt to rebut this evidence through the Morris and Szara Declarations. Like the rest of
27 Defendants’ briefing, however, each of those declarations fails to address the LOCATOR® Trade Dress
28 as a whole, instead focusing only on its individual elements (the individual insert colors, the gold-colored
abutment, and the trilobe abutment top). (See Morris Decl. ¶¶ 9–11; Szara Decl. ¶¶ 10–13.) The relevance
of this testimony is therefore minimal at best.

1 Such is the case here—although dental professionals are sophisticated, Defendants’
2 product is now being marketed through Zimmer Biomet under its OverdenSURE line, as
3 Plaintiffs’ nearly identical product was until recently. As Plaintiffs demonstrate with
4 respect to the next *Sleekcraft* factor, this could lead to confusion among even the most
5 sophisticated of buyers. *See, e.g., Am. Rena*, 2012 WL 12538385, at *6 (“Where, as here,
6 the parties’ marks are nearly identical, it ‘is irrational to expect that even the most
7 sophisticated consumer will exercise the kind of scrupulous examination that would enable
8 him or her to discern the difference’ between the two product lines.” (quoting *Electropix*
9 *v. Liberty Livewire Corp.*, 178 F. Supp. 2d 1125, 1134 (C.D. Cal. 2001))). Accordingly,
10 the Court finds that this factor also favors Plaintiffs.

11 This brings us to actual confusion. Especially at the preliminary injunction stage,
12 “[f]ailing ‘to prove instances of actual confusion is not dispositive against a trademark
13 plaintiff’ because ‘difficulties in gathering evidence of actual confusion make its absence
14 generally unnoteworthy.’” *See Pom Wonderful LLC v. Hubbard*, 775 F.3d 1118, 1131 (9th
15 Cir. 2014) (quoting *Perfumebay.com Inc. v. eBay, Inc.*, 506 F.3d 1165, 1176 (9th Cir.
16 2007)) (citing *Wells Fargo & Co. v. ABD Ins. & Fin. Servs., Inc.*, 758 F.3d 1069, 1072–73
17 (9th Cir. 2014)). Nonetheless, Plaintiffs introduce some evidence of actual confusion here.
18 (*See Scherer Decl.* ¶¶ 21–23.) “For example, a large Zimmer Biomet customer told
19 [Dr. Scherer] recently that the doctors to whom he sold LOCATOR® are confused by
20 DESS’s knock-offs and how they relate to LOCATOR®.” (*Id.* ¶ 22.) “Additionally, an
21 office manager of a dental office told [Dr. Scherer] she believed that Zimmer Biomet was
22 still selling Zest’s products, stating to [Dr. Scherer] that OverdenSURE, the brand Zimmer
23 Biomet is using to sell DESSLoc, was still ‘the same LOCATOR® just a new brochure.’”
24 (*Id.* ¶ 23.) This factor therefore weighs in favor of Plaintiffs. *See, e.g., Am. Rena*, 2012
25 WL 12538385, at *6 & n.3 (concluding that declarations from two consumers evidencing
26 actual confusion sufficed to establish a likelihood of actual confusion, even in the face of
27 “several declarations of customers who claim that they were not confused” submitted by
28 the defendants).

1 As for the final factor, “[t]his factor favors the plaintiff where the alleged infringer
2 adopted his mark with knowledge, actual or constructive, that it was another’s
3 trademark.” *Id.* (quoting *Brookfield*, 174 F.3d at 1059). As the Court has already noted,
4 *see supra* Section I.B, DESSLoc® was created directly in response to inquiries from
5 Defendants’ Spanish customers as to whether they “had a product compatible with Zest’s
6 LOCATOR® abutment.” (*See* Terrats Decl. ¶ 10.) Further, “[t]here is no logical reason
7 for [Defendants’] precise copying save an attempt to realize upon a secondary meaning
8 that is in existence.” (*See* Mot. at 20 (second alteration in original) (quoting *Transgo*, 768
9 F.2d at 1016). The Court therefore concludes that this final *Sleekcraft* factor favors
10 Plaintiffs.

11 “The seven relevant [*Sleekcraft*] factors *all* point to a likelihood of confusion on the
12 part of consumers, and thus it is likely Plaintiffs will be able to prove trade[dress]
13 infringement.” *See Am. Rena*, 2012 WL 12538385, at *7 (emphasis in original).
14 Accordingly, the Court concludes that Plaintiffs have established that consumers are likely
15 to be confused by the similarity of Defendants’ DESSLoc® products to the LOCATOR®
16 Product Suite.

17 **D. Conclusion**

18 Based on the above analysis, the Court concludes that Plaintiffs have established a
19 likelihood of probable success on the merits for their trade dress infringement claim.

20 **II. Likelihood of Irreparable Harm**

21 Because the Court concludes that Plaintiffs have established a likelihood of success
22 on the merits, *see supra* Section I, “[b]y statute, [Plaintiffs are] entitled to a rebuttable
23 presumption of irreparable harm on [their] trademark claim because the compan[ies] ha[ve]
24 shown [they] will likely succeed on the merits.” *AK Futures LLC v. Boyd St. Distro, LLC*,
25 35 F.4th 682 (9th Cir. 2022) (citing 15 U.S.C. § 1116(a)). “Notwithstanding this
26 presumption,” Plaintiffs also argue that they will suffer irreparable harm because
27 Defendants infringement will “harm Zest’s reputation and brand . . . , damage Zest’s sales,
28 and . . . diminish[] Zest’s goodwill and business.” (*See* Mot. at 28–29.) For their part,

1 Defendants attempt to rebut the presumption of irreparable harm on two grounds:
2 (1) Plaintiffs delayed in seeking preliminary injunctive relief, (*see* Opp’n at 27–28); and
3 (2) Plaintiffs have unclean hands. (*See id.* at 28–29.) Defendants also contend that
4 Plaintiffs fail to establish more than a “possibility” of irreparable harm, which does not
5 suffice. (*See id.* at 29–30.)

6 First, Defendants contend that Plaintiffs are not entitled to a presumption of
7 irreparable harm because they waited nearly five years after learning that Defendants were
8 offering their DESSLoc® products in the United States to seek injunctive relief. (*See id.*
9 at 27–28.) Plaintiffs do not dispute that they first learned of Defendants’ alleged
10 infringement “[i]n the summer of 2017,” (*see* Stratton Decl. ¶ 33), but that they failed to
11 file suit or seek preliminary injunctive relief until early 2022. (*See generally* ECF Nos. 1,
12 15.) Plaintiffs respond, however, that “there has been no delay in seeking relief . . .
13 [because they] quickly sought relief when DESS’s partnership with Zimmer Biomet
14 presented immediate, material, and irreparable harm.” (*See* Reply at 13 (citing *Arc of Cal.*
15 *v. Douglas*, 757 F.3d 975, 990 (9th Cir. 2014)).)

16 The Ninth Circuit has explained that “[u]sually, delay is but a single factor to
17 consider in evaluating irreparable injury; courts are ‘loath to withhold relief solely on that
18 ground.’” *Arc of Cal.*, 757 F.3d at 990 (quoting *Lydo Enters., Inc. v. City of Las Vegas*, 745
19 F.2d 1211, 1214 (9th Cir. 1984)). Consequently, “[a]lthough a plaintiff’s failure to seek
20 judicial protection can imply the lack of need for speedy action . . . , such tardiness is not
21 particularly probative in the context of ongoing, worsening injuries.” *Id.* (internal
22 quotation marks and citation omitted). For example, it may “undermin[e] any inference
23 that the plaintiff was sleeping on its rights” if “the magnitude of the potential harm becomes
24 apparent gradually.” *Id.* at 990–91. Similarly, a delay in seeking injunctive relief may be
25 reasonable where the plaintiff monitors the situation and decides to sue only when the
26 alleged infringer “expand[s] . . . into a real threat.” *See Disney Enters., Inc. v. VidAngel,*
27 *Inc.*, 869 F.3d 848, 866 (9th Cir. 2017). In other words, “[u]nder [certain] circumstances,
28 waiting to file for preliminary relief until a credible case for irreparable harm can be made

1 is prudent rather than dilatory[, and t]he significance of such a prudent delay in determining
2 irreparable harm may become so small as to disappear.” *See Arc of Cal.*, 757 F.3d at 991.

3 The Court concludes that Plaintiffs were not dilatory here. Beginning when
4 Plaintiffs discovered Defendants’ alleged infringement, they exchanged correspondence
5 through counsel and began monitoring Defendants’ actions. (*See Stratton Decl.* ¶ 36.)
6 Until Defendants partnered with Zimmer Biomet in late 2021, sales of DESSLoc®
7 products through United-States-based distributors—although trending up—were modest,
8 averaging only \$ [REDACTED] per year for 2018 through 2021. (*See Terrats Decl.* ¶ 33.)
9 Plaintiffs, on the other hand, averaged approximately \$ [REDACTED] per month—or \$ [REDACTED]
10 per year—in sales to Zimmer Biomet alone during that period, (*see Stratton Decl.* ¶ 41),
11 with its average annual revenue from LOCATOR® products averaging \$ [REDACTED] since
12 2012. (*See Stratton Decl.* ¶ 29.) It is therefore reasonable that Plaintiffs only considered
13 Defendants’ alleged infringement to pose a legitimate “threat” when they learned that
14 Defendants had partnered with Zimmer Biomet. (*See Stratton Decl.* ¶ 41); *see also Disney*
15 *Enters.*, 869 F.3d at 866 (affirming district court’s finding of irreparable harm where
16 approximately one-year delay was result of the plaintiffs’ “cautious investigation” of the
17 defendant’s allegedly infringing service and the plaintiffs decided to sue when the alleged
18 infringement “expanded . . . into a real threat”); *Arc of Cal.*, 757 F.3d at 990–91 (reversing
19 district court’s conclusion that two-year delay weighed against irreparable harm where
20 delay was unlikely to be probative given existence of “ongoing, worsening injuries”).
21 Under these circumstances, Plaintiffs’ “delay” in seeking preliminary injunctive relief
22 therefore does not rebut the presumption of irreparable harm.

23 Second, Defendants contend that Plaintiffs have unclean hands because Plaintiffs’
24 website is “contributing to (and likely benefiting from) an alleged association between Zest
25 and Zimmer Biomet.” (*See Opp’n* at 28–29.) Plaintiffs respond that “these references [to
26 Zimmer Biomet-compatible products] are hardly sufficient to establish unclean hands.”
27 (*See Reply* at 13 (citing *Northbay Wellness Grp., Inc. v. Beyries*, 789 F.3d 956, 959 (9th
28 Cir. 2015)).) “Trademark law’s unclean hands defense springs from the rationale that ‘it

1 is essential that the plaintiff should not in his trade[]mark, or in his advertisements and
2 business, be himself guilty of any false or misleading representation.” *Japan Telecom*,
3 287 F.3d at 870 (quoting *Worden v. Cal. Fig Syrup Co.*, 187 U.S. 516, 528 (1903)). “To
4 make out an unclean hands defense, a trademark defendant must demonstrate that the
5 plaintiff’s conduct is inequitable and that the conduct relates to the subject matter of its
6 claims.” *2Die4Kourt v. Hillair Cap. Mgmt., LLC*, 692 F. App’x 366, 368 (9th Cir. 2017)
7 (internal quotation marks omitted) (quoting *Japan Telecom*, 287 F.3d at 870). “To show
8 that a trademark plaintiff’s conduct is inequitable, defendant must show that plaintiff used
9 the trademark to deceive consumers.” *Id.* (quoting *Japan Telecom*, 287 F.3d at 870). “Bad
10 intent is the essence of the defense of unclean hands,” *Dollar Sys., Inc. v. Avcar Leasing*
11 *Sys., Inc.*, 890 F.2d 165, 173 (9th Cir. 1989) (citing *Wells Fargo & Co. v. Stagecoach*
12 *Props., Inc.*, 685 F.2d 302, 308 (9th Cir. 1982)), and mere negligence will not suffice. *See*,
13 *e.g., id.*; *see also FLIR Sys., Inc. v. Sierra Media, Inc.*, 965 F. Supp. 2d 1184, 1194 (D. Or.
14 2013) (quoting *Infineon Techs. AG v. Volterra Semiconductor Corp.*, No C 11–6239
15 MMC, 2013 WL 1832558, at *4 n. 7 (N.D. Cal. May 1, 2013)).

16 The Court concludes that there is no evidence of such intentional deception here.
17 Plaintiffs explain on reply that Defendants “brought to Zest’s attention a page on Zest’s
18 website . . . that was out of date,” which Zest is now in the process of updating. (*See Supp.*
19 *Stratton Decl.* ¶ 5.) Plaintiffs note that their other statements regarding compatibility are
20 truthful, (*see id.* ¶ 6), but that Plaintiff has updated its website “[f]or the avoidance of any
21 doubt.” (*See id.* ¶ 7.) Even assuming that this conduct rises to the level of negligence, it
22 would still fall far short of establishing “bad intent.” Accordingly, the Court concludes
23 that Defendants have failed to rebut the presumption that Plaintiffs will be irreparably
24 harmed.

25 Even if Plaintiffs were not entitled to the presumption of irreparable harm, however,
26 the Court would conclude that Plaintiffs have introduced sufficient evidence to establish a
27 likelihood of irreparable harm. “[E]vidence of loss of control over business reputation
28 and damage to goodwill [can] constitute irreparable harm,’ so long as there is concrete

1 evidence in the record of those things.” *adidas*, 890 F.3d at 756 (alterations in original)
2 (quoting *Herb Reed*, 736 F.3d at 1250). For example, “extensive and targeted advertising
3 and unsolicited media, along with tight control of the supply of [LOCATOR® products],
4 [can] demonstrate that [Plaintiffs] ha[ve] built a specific reputation around the
5 [LOCATOR® Product Suite] with ‘intangible benefits.’” *See id.* at 756–57 (citing *Regents*
6 *of Univ. of Cal. v. Am. Broad. Cos.*, 747 F.2d 511, 519 (9th Cir. 1984)). Further,
7 “[e]vidence of threatened loss of prospective customers or goodwill certainly supports a
8 finding of the possibility of irreparable harm.” *Stuhlbarg Int’l Sales Co. v. John D. Brush*
9 *& Co.*, 240 F.3d 832, 841 (9th Cir. 2001) (citing *Tom Doherty Assocs., Inc. v. Saban*
10 *Entm’t, Inc.*, 60 F.3d 27, 37–38 (2d Cir. 1995)).

11 Although Defendants contend that Plaintiffs “present[] no evidence of actual loss or
12 tangible harm,” (*see* Opp’n at 29–30), the Court disagrees and concludes that Plaintiffs
13 introduce sufficient evidence to establish a likelihood of irreparable harm. Here, Plaintiff
14 introduce uncontroverted evidence that they have spent significant amounts of money
15 advertising the LOCATOR® Product Suite, averaging approximately \$ [REDACTED] per
16 year over the last decade. (*See* Stratton Decl. ¶ 23.) As a result, the LOCATOR® Product
17 Suite has won numerous, third-party awards, (*see id.* ¶¶ 30–31), and has become “the most
18 popular and widely used denture attachment system in the world.” (*See id.* ¶ 5.) Until
19 Defendants’ DESSLoc® products entered the scene, Plaintiffs had a lucrative partnership
20 with Zimmer Biomet worth approximately \$ [REDACTED] per year. (*See id.* ¶ 41.) Zimmer
21 Biomet, however, is currently taking orders for Defendants’ allegedly infringing
22 products—which previously had sold a maximum of approximately \$ [REDACTED] per year in
23 the United States, (*see* Terrats Decl. ¶ 33)—through its website. (*See* Towse Decl. ¶ 29.)
24 Purchasers through Zimmer Biomet already have expressed confusion, (*see* Scherer Decl.
25 ¶¶ 21–23), and, if Defendants are permitted to ship their DESSLoc® products under the
26 OverdenSURE mark pursuant to their new partnership with Zimmer Biomet to customers
27 who previously had purchased the LOCATOR® Product Suite under that same name, (*see*
28 Towse Decl. ¶ 29), it is likely that Plaintiffs will suffer harm that cannot be remedied by

1 monetary damages in the form of loss of customers and loss of goodwill. Accordingly, the
2 Court concludes that Plaintiffs have established a likelihood, as opposed to a mere
3 “possibility,” of irreparable harm.

4 **III. Balance of Equities**

5 Plaintiffs contend that “[a]ny harm to DESS’s business is of its own making given
6 that . . . DESS has intentionally sought to market and sell products nearly identical to Zest’s
7 and has recently entered into a distribution agreement to sell knock-off LOCATOR®
8 products *via* Zimmer Biomet.” (See Mot. at 29–30 (emphasis in original).) Defendants
9 counter that the balance of equities does not favor Plaintiffs because Defendants have been
10 selling DESSLoc®—with Plaintiffs’ knowledge—for nearly five years, meaning that
11 “Zest’s requested remedy . . . goes ‘well beyond maintaining the status quo.’” (See Opp’n
12 at 30 (first citing *Signeo USA, LLC v. SOL Republic, Inc.*, No. 5:11-cv-06370-PSG, 2012
13 WL 2050412 at *11 (N.D. Cal. June 6, 2012); then citing *Wild v. HarperCollins Publishers*
14 *LLC*, No. 8:12-cv-01191-JST (ANx), 2013 WL 12137684, at *3 (C.D. Cal. Jan. 2, 2013)).)

15 While it is true that a preliminary injunction is meant to maintain the status quo,
16 Defendants misinterpret its scope: “The status quo ante litem refers not simply to any
17 situation before the filing of a lawsuit, but instead to ‘the last uncontested status which
18 preceded the pending controversy[.]’” *GoTo.com*, 202 F.3d at 1210 (quoting *Tanner*
19 *Motor Livery*, 316 F.2d at 809). In this case, that would be before Defendants began
20 marketing and selling their allegedly infringing DESSLoc® products in the United States.
21 See *id.* (concluding that status quo existed before the defendant had begun using its
22 allegedly infringing logo, not before the plaintiff had filed suit).

23 In any event, Plaintiffs are correct that, “[w]here the only hardship that the defendant
24 will suffer is lost profits from an activity which has been shown likely to be infringing,
25 such an argument . . . ‘merits little equitable consideration.’” *Cadence Design Sys. v.*
26 *Avant! Corp.*, 125 F.3d 824, 829 (9th Cir. 1997) (alteration in original) (quoting *Triad Sys.*
27 *Corp. v. Se. Exp. Co.*, 64 F.3d 1330, 1338 (9th Cir. 1995), *superseded by statute on other*
28 *grounds*, 17 U.S.C. § 117(c)) (collecting cases). Here, Defendants continued to sell and

1 market DESSLoc® even after receiving correspondence from Plaintiffs’ counsel regarding
2 their alleged infringement. (*See, e.g.*, Stratton Decl. ¶¶ 36–38; Terrats Decl. ¶¶ 26–28.)
3 Because Plaintiffs have shown a likelihood of success on the merits, “the balance of
4 hardships issue cannot be accorded significant—if any—weight in determining whether a
5 court should enter a preliminary injunction.” *See Cadence Design*, 125 F.3d at 830. The
6 Court therefore concludes that Plaintiffs have established that the equities favor granting
7 them the requested preliminary injunctive relief.

8 **IV. Public Interest**

9 Finally, Plaintiffs contend that the requested preliminary injunction would serve the
10 public interest because “[o]ne of the essential purposes of trademark law is to protect
11 consumers from confusion.” (*See Mot.* at 30 (citing *Park ‘N Fly, Inc. v. Dollar Park &*
12 *Fly*, 469 U.S. 189, 198 (1985); *Wetzel’s Pretzels, LLC v. Johnson*, 797 F. Supp. 2d 1020,
13 1029 (C.D. Cal. 2011)).) Defendants respond that, “even if the Court were to find a
14 likelihood of consumer confusion, that harm does not outweigh the public’s interest in
15 ready access to, and a robust market for, FDA approved medical devices.” (*See Opp’n* at
16 31.)

17 Defendants cite several cases to support their position. (*See id.* at 31 & n.10 (first
18 citing *Nutrishare, Inc. v. BioRx, LLC*, No. 08 CV 1493 JM BLM, 2008 WL 4748109, at *5
19 (S.D. Cal. Oct. 23, 2008); then citing *Conceptus, Inc. v. Hologic, Inc.*, No. C 09-02280
20 WHA, 2012 WL 44064, at *3–4 (N.D. Cal. Jan. 9, 2012); then citing *Advanced*
21 *Cardiovascular Sys., Inc. v. Medtronic, Inc.*, No. C95-03577-DLJ, 2008 WL 4647384, at
22 *11 (N.D. Cal. Oct. 20, 2008); finally citing *HDOS Franchise Brands, LLC v. El Paso Hot*
23 *Dog, LLC*, No. 321CV00201AJBBLM, 2021 WL 5629923, at *8 (S.D. Cal. June 29,
24 2021)).) Not only are none of those cases binding on this Court, all can be distinguished
25 from the instant case as well.

26 First, the Court in *HDOS* concluded that the public interest supported issuance of a
27 preliminary injunction because “[t]he public . . . has a strong interest in being free from
28 confusion due to [the d]efendants’ infringing conduct.” *See* 2021 WL 5629923, at *8. This

1 is the exact argument Plaintiffs advance here. *HDOS* therefore simply does not support
2 Defendants’ position.

3 Second, the party seeking the preliminary injunction in *Nutrishare* “fail[ed] to
4 demonstrate a strong or probable likelihood of success on its trademark claims or that it
5 w[ould] suffer irreparable harm if a preliminary injunction is not granted.” *See* 2008 WL
6 4748109, at *6. Unlike in *Nutrishare*, however, the Court here concludes that Plaintiffs
7 have demonstrated a strong likelihood of success on the merits, *see supra* Section I, and
8 that Plaintiffs will suffer irreparable harm if a preliminary injunction is not granted. *See*
9 *supra* Section II. Further, the court in *Nutrishare* found that the public interest factor was
10 “not substantial” because both of the parties’ positions—plaintiff’s argument concerning
11 avoidance of confusion and the defendant’s argument concerning the effect the injunction
12 would have on “healthy competition in the market” and “patients who rely on its
13 products”—had “some merit.” *See id.* at *5. Accordingly, *Nutrishare*—at best—supports
14 a conclusion that the public interest factor is of minimal relevance here.

15 Third, *Conceptus* involved a motion for a permanent injunction following a patent-
16 infringement trial for a contraceptive product, *see* 2012 WL 44064, at *1, where the two
17 products were “not interchangeable products and procedures” and “[e]njoining the sale of
18 [the infringing product] would leave only one product for transcervical hysteroscopic
19 sterilization.” *See id.* at *3. Here, by contrast, the products are interchangeable, (*see*
20 Terrats Decl. ¶¶ 10–11 (explaining that DESSLoc® was developed to be compatible with
21 LOCATOR®)), and there are other, non-infringing products available. (*See* Reply at 14.)

22 Finally, *Advanced Cardiovascular Systems* concerned a motion to modify a
23 permanent injunction entered eight years prior following a patent-infringement trial, *see*
24 2008 WL 4647384, at *1, *3, meaning the plaintiff had enjoyed permanent injunctive relief
25 for *eight years* before the court decided to dissolve the injunction. The plaintiff in that case
26 also had licensed the patented product in contention to other companies over those eight
27 years, indicating that money damages were sufficient. *See id.* at *10. And, as in *Conceptus*

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1 but unlike in this case, enjoining the sale of the infringing product would leave only one
2 device available to the market. *See id.* at *11.

3 In short, this is not a situation in which enjoining Defendants’ allegedly infringing
4 DESSLoc® products would leave consumers without viable alternative denture attachment
5 products. Indeed, Defendants characterize the market for their products as “crowded.”
6 (*See Opp’n* at 21–23.) On the other hand, allowing Defendants to continue to market and
7 sell their allegedly infringing DESSLoc® products pending final adjudication of Plaintiffs’
8 trade dress infringement claims would risk consumer deception or confusion. Under these
9 circumstances, the Court concludes that the public interest weighs in favor of Plaintiffs.

10 **V. Weighing of the Factors**

11 Because the Court concludes that Plaintiffs have demonstrated both a likelihood of
12 probable success on the merits, *see supra* Section I, a likelihood of irreparable harm, *see*
13 *supra* Section II, and that all four of the *Winter* factors favor preliminary injunctive relief,
14 *see supra* Sections I–IV, the Court also concludes that Plaintiffs have established that they
15 are entitled to their requested preliminary injunctive relief under either of the Ninth
16 Circuit’s variant standards.

17 **VI. Bond**

18 Under Rule 65(c), “[t]he court may issue a preliminary injunction . . . *only* if the
19 movant gives security in an amount that the court considers proper to pay the costs and
20 damages sustained by any party found to have been wrongfully enjoined.” *See* Fed. R.
21 Civ. P. 65(c) (emphasis added). “Despite the seemingly mandatory language, ‘Rule 65(c)
22 invests the district court ‘with discretion as to the amount of security required, *if*
23 *any.*’” *Johnson v. Couturier*, 572 F.3d 1067, 1086 (9th Cir. 2009) (emphasis in original)
24 (quoting *Jorgensen v. Cassidy*, 320 F.3d 906, 919 (9th Cir. 2003)). “The district court is
25 afforded wide discretion in setting the amount of the bond.” *Conn. Gen. Life Ins. Co. v.*
26 *New Images of Beverly Hills*, 321 F.3d 878, 882 (9th Cir. 2003) (citing *Walczak v. EPL*
27 *Prolong, Inc.*, 198 F.3d 725, 733 (9th Cir. 1999)).

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1 Because “the purpose of . . . a bond is to cover any costs or damages suffered by the
2 [party sought to be enjoined], arising from a wrongful injunction,” *see Gorbach v. Reno*,
3 219 F.3d 1087, 1092 (9th Cir. 2000), “the party affected by the injunction [bears the]
4 obligation of presenting evidence that a bond is needed.” *See Conn. Gen.*, 321 F.3d at 883;
5 *accord Gorbach*, 219 F.3d at 1092 (affirming district court’s decision not to require bond
6 where the party sought to be enjoined “did not show that there would be any” damages).
7 Consequently, if the party affected by the injunction fails to request a bond or submit any
8 evidence regarding its likely damages, the court does not abuse its discretion by setting a
9 bond of zero. *See Conn. Gen.*, 321 F.3d at 882–83.

10 Defendants did not request—or in any way address—bond until the Court asked at
11 oral argument whether Defendants’ failure to do so was an intentional waiver. (*See*
12 *generally* Opp’n; *see also* 06/09/22 Tr.) Accordingly, the Court would be well within its
13 discretion to decline to require Plaintiffs to post any bond here. *See Conn. Gen.*, 321 F.3d
14 at 882–83; *Am. Rena*, 2012 WL 12538385, at *9 (waiving bond requirement where the
15 “[d]efendants have not addressed the amount of the bond and have failed to respond to [the
16 p]laintiffs’ contention that no bond is required”).

17 Nonetheless, Defendants did request “at minimum a [REDACTED] dollar bond” at oral
18 argument based on *Plaintiffs’* historic monthly sales of the LOCATOR® Product Suite to
19 Biomet Zimmer. (*See* 06/09/22 Tr.; *see also* Stratton Decl. ¶ 41.) Defendants, however,
20 made only \$ [REDACTED] from sales of DESSLoc® to distributors with U.S. addresses between
21 2017 and the filing of their Opposition. (*See* Terrats Decl. ¶ 33.) On this record,
22 Defendants—who bear the burden of proving their likely damages arising from the
23 issuance of a wrongful injunction—fail to establish their entitlement to the requested bond.

24 Accordingly, the Court **ORDERS** supplemental briefing as to the necessity and
25 appropriate amount of a bond in this case. Defendants **SHALL FILE** a supplemental brief
26 accompanied by all evidence necessary to support their request for bond pursuant to
27 Federal Rule of Civil Procedure 65(c) within two (2) weeks of the electronic docketing of
28 this Order. Plaintiffs **MAY FILE** a response within two (2) weeks of service of

1 Defendants' supplemental brief. Upon closing of the supplemental briefing, the Court will
2 take the bond issue under submission on the papers pursuant to Civil Local Rule 7.1(d)(1)
3 unless the Court determines that additional briefing or oral argument is required.

4 **CONCLUSION**

5 In light of the foregoing, the Court **GRANTS IN PART AND DENIES IN PART**
6 Plaintiffs' Motion (ECF No. 15). Specifically, the Court **GRANTS** Plaintiffs' Motion as
7 to the LOCATOR® Trade Dress but **DENIES** Plaintiffs' Motion as to the Zest Insert Color
8 Marks. Accordingly, the Court **ENJOINS AND RESTRAINS** until the entry of final
9 judgment in this action Defendants Geryon Ventures, LLC d/b/a DESS-USA, and Terrats
10 Medical Sociedad Limitada, together with their agents, employees, representatives, and all
11 persons and entities in concert or participation with them from engaging in, committing or
12 performing, directly or indirectly, any and all of the following acts:

13 1. Using in any way, including in connection with the promotion, marketing,
14 advertising, and sale of products or services, Zest's LOCATOR® product suite trade dress
15 or any trade dress that is a colorable imitation thereof, or confusingly similar thereto; and

16 2. Importing into the United States any products that use the LOCATOR®
17 product suite trade dress or trade dress that is a colorable imitation thereof, or confusingly
18 similar thereto.

19 Finally, the Court **DECLINES** to impose a bond in this Order but **ORDERS**
20 Defendants to file a fully supported supplemental brief regarding the necessity and
21 appropriate amount of any bond in this case within two (2) weeks of the electronic
22 docketing of this Order. Plaintiffs **MAY FILE** an optional response within two (2) weeks
23 of service of Defendants' supplemental brief.

24 **IT IS SO ORDERED.**

25 Dated: July 18, 2022

26 

27 Honorable Todd W. Robinson
28 United States District Judge